

The Social Psychological Dimensions of Immigrant Entrepreneurship

A Thesis Submitted to the College of
Graduate Studies and Research
in Partial Fulfillment of the Requirements
for the Degree of Master of Arts
in the Department of Psychology
University of Saskatchewan
Saskatoon

By

Daniel W. Robertson

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Abstract

Immigrant entrepreneurship is increasingly becoming part of the business landscape in Canada and, as a result, is gaining scientific attention. Nonetheless, the phenomenon of immigrant entrepreneurship has been scarcely addressed through the lens of social psychology. The objective of the present study, thus, was to examine the experiences of immigrant entrepreneurs from a Social Identity Theory perspective. It was predicted that social identification would be related to the source of social capital that was used, perceptions of discrimination and the entrepreneurs' intentions to stay in Canada. Additionally, based on the literature, reasons for starting a business, level of acculturation and predictors of ethnic business were also explored. One hundred twenty one immigrant entrepreneurs from across Canada completed a questionnaire about their experiences as an immigrant business owner in Canada. The results showed that relying on coethnic social capital was related to a stronger cultural identity, but that non-coethnic social capital was unrelated to Canadian identity. Perceived discrimination was not associated with using coethnic social capital, but perceived discrimination was related to a stronger cultural identity and weaker Canadian identity. Consistent with the literature on sojourners, intentions to stay were positively related to Canadian identity and negatively related to cultural identity. As for explored relationships, reasons for entrepreneurship were a combination of both push and pull factors and regression analyses revealed that Canadian identity is a significant predictor of staying in Canada and dealing with disadvantage in the labour market. Lastly, feeling disadvantaged and being less acculturated were predictors of pursuing an ethnic business strategy. Overall, identity plays a considerable role in immigrant entrepreneurs' behavior and business decisions and it deserves further attention in research. The findings are relevant to develop theory on immigrant entrepreneurship and have implications for immigrant serving agencies and policy makers.

ACKNOWLEDGEMENTS

I feel indebted toward my supervisor, Peter Grant, for all of his support and understanding throughout the duration of completing this thesis. I cannot adequately express how grateful I am for his guidance, counsel and his continual willingness to make himself available to provide assistance and encouragement. I feel truly blessed to have been able to work with such an admirable mentor. I also would like to express my sincere gratitude for Karen Lawson and Michel Desjardins who, as members of my advisory committee, gave me invaluable comments and feedback that helped expand my thinking and helped guide my project. I would also like to thank Patience Elabor-Idemudia for fulfilling the role as my external examiner and for providing me with thoughtful insights.

Thank you to Stephanie Gazzolla, Jessica McCutcheon and Jana Garay for two great appearances in the Case Competition finals and for two great years of laughing and learning together. Especial thanks to Jana for working with me and being a wonderful lab mate.

I would be remiss if did not acknowledge my close friends and family for their love and support. In particular, I am eternally grateful to my best friend and wife Elizabeth who was instrumental in maintaining my mental, physical and spiritual health during the difficult times. I am comforted to know that she is always there for me. A special thanks to our daughter Emmeline who gives joy and meaning to my life and, last but not least, to my parents for believing in me and providing me with unconditional love.

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CHAPTER 1- INTRODUCTION

With ever increasing globalization, many people are migrating to Canada with the intention to find gainful employment. Interestingly, it has been noted that immigrants are more likely than Native-born Canadians to engage in entrepreneurship (Li, 2003). In the entrepreneurship literature, there are competing theories as to why immigrants are more often drawn to self-employment. Some are initially drawn by the opportunity to be self-employed, whereas others are driven to entrepreneurship as a result of poor job opportunities. Regardless, there are many aspects of starting and running a business that are a result of social psychological factors. In particular, the networks that one utilizes, whether discrimination is perceived or not and the extent to which the individual becomes integrated in the host society have implications for the business. Immigrant entrepreneurship is certainly not a new phenomenon in modern society, but it is becoming increasingly relevant due to increased migration flows and the need for immigrants to establish businesses and stay in Canada. The purpose of the present study is to expand on existing literature by examining the experiences of immigrant entrepreneurs using a social psychological perspective.

The current study is structured so that the general tenets of Social Identity Theory (SIT) are described as well as how this theory relates to the study of immigrant entrepreneurship. The literature on psychological factors, such as perceived discrimination, that influence an immigrant pursuing self-employment is reviewed as it relates to social identity. Further, the concepts of social capital and ethnic business are introduced and their possible implications for social identity are explored. Lastly, the relevance of the acculturation of immigrant entrepreneurs and the theory for why some entrepreneurs do not remain in Canada are examined.

1.1 Social Identity Theory

The concept of identity has become an important theme in intergroup relations since the late 20th century and has relevance for studying immigrants because migration can result in considerable changes to the way that individuals define themselves. However, the meaning of identity has been conceptualized in different ways throughout the social sciences. Recognizing the discrepancy, Gleason (1983) described the history of term identity and how across the social scientific literature there is not a single agreed upon definition of what identity represents. He suggested that researchers be careful about the usage of the word identity in academic literature since the term can be employed in many ways. In addition to the conceptual ambiguity, the very nature of identity as complex and evolving makes it difficult to isolate. Indeed, the fact that social identity is not unidimensional but is a broad ranging construct that includes many specific forms of identity (e.g., ethnic, national, gender, occupational etc.) can further obfuscate the term when used loosely. Recognizing the complexity of the semantics of identity, the Social Identity Theory was chosen as the theoretical underpinning for discussing identity in this thesis.

Social Identity Theory as proposed by Tajfel and Turner (1979; 1986) distinguishes between one's idiosyncratic personal identity and one's social identity as represented through group membership. In essence, the theory states that people think, feel and act as members of groups with which they identify and that their group identities make up an important part of their collective self-concept. That is, individuals want to belong to groups and that group identification enable members to fulfill identity needs (Baumeister & Leary, 1995). A fundamental premise of the theory is the idea that individuals identify with a variety of social groups and that they are motivated to have group identities that are both positive and distinct as part of a more general drive to have a positive self-concept (Hogg & Abrams, 1988; Moghaddam, 2008). After identifying with a group, individuals understand their social situations by comparing their group

to others. The nature of these intergroup social comparisons is influenced by both their perceptions of their group memberships and the particular group goals that are adopted. For example, when comparing the ingroup with a more dominant outgroup, disadvantaged group members might feel that their group's situation is unjust and make demands for change and better treatment for their group. These upward comparisons result in ethnic minorities, for example, protesting the treatment of their group by the dominant ethnic majority group. Alternatively, ingroup members might accept their group's low status in society and make intergroup comparisons with other minority groups in order to maintain a positive sense of self.

An extension of SIT is the self-categorization theory. Here, Turner, Hogg, Oakes, Reicher, and Wetherell (1987) argued that social contexts create situationally meaningful group boundaries and that social identities are socially construed categories that are used when they are made salient in certain social contexts (category fit). Thus, the salience of social categories provides perceptual filters for organizing the social environment into ingroups and outgroups. Because people are members of many different groups, a person's goals or motives also influences which group he/she chooses as the ingroup (accessibility). The consequence is that both situational factors and motivational factors guide cognitive processes, and as such, form the basis for structuring intergroup interactions including those involving conflict between group members and prejudice and discrimination directed toward outgroup members. Categorizing one's self into an ingroup as well as others into an outgroup satisfies the motivation to perceive or achieve a sense of positive self worth provided that the ingroup – outgroup comparison favours the former rather than the latter (positive ingroup distinctiveness). This theory then, places a person's identification with important social categories as a motivator for their actions in contexts where that identity is subjectively salient. In the present study, the role of one particular

identity, cultural identity, is considered a motivator which influences the business decisions of immigrant entrepreneurs.

1.2 Social Identity as an Immigrant Entrepreneur

The definition of an immigrant is often influenced by the discourse on immigration of a particular country. Simplistically stated, an immigrant generally refers to an individual that migrates to a country with the intention to reside there (Hammar, 2010). In Canada, an immigration point system was introduced in 1967 and economic class immigrants are selected based on age, work experience, educational background, language ability, arranged employment and adaptability of applicants. Nonetheless, not all immigrate through the points system since, in addition to economic goals, the 1985 Immigration Act also includes two other purposes of immigration: family reunion and humanitarian goals (e.g., refugees and asylum seekers). Immigrants come from all over the world and as such bring different skills, backgrounds and strengths and may, as a result, require different needs. In sum, although the term immigrant is used in the present thesis, the concept of an immigrant should not be interpreted as being homogenous.

Similarly, what it means to be an entrepreneur can vary depending on context. A standard definition of an entrepreneur includes an individual who is self-employed in their own incorporated or non-incorporated business, professional practice, or farm which includes both employer and non-employer firms (Özbilgin & Syed, 2010). Consequently, farmers as well as microbusiness, small business, and large-scale business owners all fall under the rubric of entrepreneur. Indeed, there is a level of complexity when attempting to define entrepreneurs because the experiences of entrepreneurship can vary greatly.

The intricacies of defining what an immigrant entrepreneur *is* also extend when attempting to predict how an immigrant entrepreneur will make sense of his or her social identity.

Entrepreneurship is not simply an economic activity but also a social activity which, subsequently, influences the salience of certain social identities (Steyart & Katz, 2004). The situation, therefore, for immigrant entrepreneurs is particularly unique from a social identity perspective. On the one hand, there are settlement issues for the immigrant as he or she integrates and redefines his/herself into a new culture (Ward, Bochner, & Furnham, 2001). On the other hand, the immigrant entrepreneur must deal with the pressures and difficulties of establishing a self-employed business, developing social networks and creating a clientele base all the while negotiating his/her self-concept. Both of these circumstances combined result in the possibility of an individual experiencing considerable adjustment to his/her identity.

1.3 Perceived Discrimination and Entrepreneurial Motivation

1.3.1 Brain waste and the disadvantage hypothesis. Despite the emphasis put on the importance of immigration, there are still significant barriers that face newcomers to Canada. In the past, Canadian immigration policy has had success by selecting immigrants on the basis of economic factors such as education and work experience which, in turn, positively influenced the labour market. Indeed, human capital theory suggests that increases in competencies, skills and knowledge result in more productive and efficient economic activities (Davidsson & Honig, 2003). Human capital can be gained through activities such as formal education, non-formal education, English language training, on-the-job training and labor market experiences (Sequeira & Rasheed, 2006). In Canada, the level of education of incoming immigrants has been increasing steadily since the 1950s (Akabari, 1999) and since the 1960s, when immigration was opened to all countries, immigrants have had substantially higher levels of formal education than the native-born population (Reitz, 2001).

As a result of the brain waste that occurs, there are many trained and motivated immigrants who cannot find suitable employment. In some cases, skilled immigrants respond to

this difficulty by creating their own business. That is, they consider self-employment to be a viable strategy to achieve upward economic mobility. The result is that rates of self-employment are higher among immigrants than among the host society (Waldinger, Aldrich, & Ward 1990; Tubergen, 2006), a finding that is also consistent in Canada (Sanders & Nee, 1996; Li, 2000). For example, Li (2003) noted that the rate of self-employment reported on the census was higher for those born outside of Canada than native-born Canadians. Further, the Prairie region is unique in its high incidence of self-employment among immigrants. In Saskatchewan, 25% of immigrants are self-employed compared to a national average of only 12% (Lamba, Mulder & Wilkinson, 2000).

With a higher propensity for entrepreneurship, the immigrants that are more likely to be self-employed are those who come to Canada with more human capital. Indeed, in an analysis of the Longitudinal Immigration Data Base, Li (2001) found that the odds of self-employment are increased for immigrants with higher educational qualifications. Although it cannot be conclusively stated, this trend is potential evidence of brain waste among immigrants which, in turn, leads to entrepreneurship. Because their education is undervalued in the open market, immigrants use their human capital to develop business ownership instead of suffering downward mobility. That is, highly trained, immigrants who perceive their job prospects to be discouraging are particularly likely to seek alternative employment opportunities (Kim, Hurh & Fernandez, 1989; Min, 1988). Thus, the impetus for creating a business could partly be a result of immigrants seeking suitable employment from employers who do not fully recognize the value of foreign credentials or of work experience accumulated in their countries of origin.

The concept of brain waste is also in the economics literature where a distinction is drawn between *necessity-driven* entrepreneurs and *opportunity* entrepreneurs. Those who are drawn to entrepreneurship by necessity are driven to self-employment by the absence of alternative

employment or labour market obstacles (Ho & Wong, 2007). In contrast, opportunity entrepreneurs are drawn by the pull factors such as economic stability in a short time and the potential for high earnings (Bates, 1997).

The paucity of job opportunities leading to entrepreneurship is formally known as the *disadvantage hypothesis* (Light, 1972; 1979). The hypothesis suggests that immigrants choose self-employment as an alternative to unemployment and unsatisfactory labour market conditions. Some support for this hypothesis is provided by Li (1997) whose study presented evidence which suggests that visible minority immigrants are likely to enter into self-employment, not only because of the promise of good economic returns, but also due to blocked mobility in the labour market. That is, Li (1997) found support for one aspect of the disadvantage hypothesis by showing that immigrants who are members of Canada's so called "visible minorities" were more likely to experience blocked mobility in comparison to "white" immigrants. Further evidence for this hypothesis is provided by Mesch and Czamanski (1997) who documented that Russian Jews immigrating to Israel became interested in entrepreneurship after learning that their prospects of finding jobs in their profession were limited: Their motivation to open a small business was to increase their income instead of being underemployed.

In interviews with Indo-Canadian entrepreneurs, Walton-Roberts and Hiebert (1997) sought to find qualitative data that provided insight into the role that family and ethnic networks play in entrepreneurship, and both why and how individuals become self-employed. They interviewed 24 Indo-Canadian construction business owners in Vancouver and found that the interviewees emphasized the difficulty of finding appropriate paid work as a primary factor in their decision to become an entrepreneur. Similarly, Zhang and Beajout (1997) analyzed data from the Canadian Survey of Labour and Income Dynamics to investigate the progress from being jobless to either employment or self-employment. They found that those immigrants who

had been jobless the longest were most likely to start their own business. In addition, the immigrants who had obtained high educational qualifications (i.e., human capital) outside of Canada were over-represented in self-employed occupations. This finding, they posit, shows that immigrants are disadvantaged in the Canadian labour market and suggests that they chose entrepreneurship as an alternative to trying to overcome the employment barriers that they face.

In sum, there is evidence of blocked mobility in the labour market being a push factor toward self-employment, yet not all immigrant entrepreneurship is motivated by barriers to job opportunities (Hiebert, 2003, Li, 1992). Consequently, the extent to which feeling disadvantaged in the labour market is a motivator for entrepreneurship will be examined in the current study.

1.3.2 Perceived Discrimination in Business. The feeling of being blocked from the labour market can result in distress and perceptions of inequality among immigrants. Historically, immigrant groups have been victim to various forms of oppression and discrimination in the Canadian workplace based on their skin color, appearance, language, and culture (Li, 2003; Oliver, 2005; Samuel, 2006). Hence, discrimination can be a pernicious reality for some immigrant business owners. Moreover, discrimination is not only a motivator for self-employment, but also can be present when starting and running a business. Specifically, there is evidence that minorities are often made the scapegoat for economic downturns, unemployment, and cultural conflicts (Tougas, Desruisseaux, Desrochers & St-Pierre, 2004). Notably, there is an unfounded fear that immigrants take job opportunities from native-born Canadians and that ethnic minority shopkeepers are making excessive profits at the expense of white customers (Barret, Jones & McEvoy, 1996).

As was mentioned previously, there can barriers at a systemic level for immigrant entrepreneurs in terms of getting their business started. In a study examining how race and ethnicity can influence decisions regarding entrepreneurship, Teixeira, Lo and Truelove (2007)

studied various behaviors, strategies, and barriers that ethnic business owners in Toronto face. The study revealed that, consistent with the disadvantage hypothesis, visible minorities felt they were forced into self-employment due to a lack of jobs. These authors concluded that discrimination forces immigrants who are members of visible immigrants to start businesses, but that the discrimination does not stop there. Their study's participants reported encountering institutional discrimination in starting and operating their current businesses, particularly in obtaining credit and loans from financial institutions and banks. Indeed, stereotypes can affect financial backing decisions by influencing the interpretation of an applicant's business strategy and, unfortunately, providing money and resources to minority entrepreneurs is likely to be viewed as more risky than providing to non-minorities. It is thought that stereotype-derived misconceptions that minority entrepreneurs are not very competent create problems in obtaining financial support (Heilman & Chen, 2003).

Evidence from entrepreneurship literature in the United States provides similar results. In small-business lending in the United States, for example, black-owned firms consistently have been found to be 26 to 36 percentage points more likely to be denied access to credit (Blanchflower, Levine & Zimmerman, 2003; Cavalluzzo, Cavaluzzo & Wolken, 2002). This is also the case for Hispanic and Asian-owned businesses that have been found to be 22 and 13 percentage points more likely to be denied credit, respectively (Blanchflower et al. 2003).

1.3.3 Disadvantage hypothesis and perceived discrimination as related to Social Identity Theory. In terms of SIT, discrimination and marginalization have subsequent effects on the identity of the aspiring immigrant business owner. In general, this type of economic exclusion from the host market strengthens ethnic group cohesion, which often leads to an increase in the density of cultural networks. The immigrant finds increased support and access to group resources among cultural ingroup members and, in turn, his/her identification with the cultural

group is strengthened (Aldrich & Waldinger, 1990). Thus, culturally related institutions, such as churches or associations, are often supported by immigrant entrepreneurs for cultural as well as business reasons. Bonacich and Modell (1980), for example, noted that second-generation Japanese immigrants who had social ties to their ethnic group in various informal and formal contexts tended to participate more in the Japanese ethnic economy. Such ingroup involvement and the salience of cultural practices after immigrating do not arise spontaneously, but often result from a clash with the host society. The source of ingroup solidarity that they experience is situational, since it is the reality of discrimination and minority status that strengthen cultural customs from the business person's country of origin (Portes & Sensenbrenner, 1993).

High-density cultural networks have been reported to occur across virtually all cultural groups (Menzies, Filion, Brenner & Elgie, 2007). Nonetheless, there are some researchers who posit that the degree of ingroup involvement varies according to the status of the group (Woolcock, 1998). That is, if there is greater stigma or societal prejudice against a particular cultural group leading to discrimination regarding rewards and opportunities, then there will be a greater need for immigrant entrepreneurs to remain more involved with their ingroup community. This type of community embeddedness can include social, economic, cultural, and political aspects (Woolcock, 1998).

Padilla and Perez (2003) posit that a person's social identity and the method he/she uses to adapt to a new culture are invariably connected, especially when there is discrimination against the minority group. That is, an immigrant's social identity becomes particularly relevant when the immigrant group feels devalued by the host society. For instance, empirical research by Mossakowski (2003) revealed that immigrants use their cultural identities to buffer themselves from the effects of discrimination. Identities are self-cognitions that vary in their salience based on a person's commitment or the strength of his/her ties to the group through networks of social

relationships (Serpe & Stryker, 1987). Mossakowski (2003) found that cultural identity can serve as a coping resource, such that commitment to ethnic relationships and having a salient cultural identity mitigate the stress of discrimination by preventing derogatory stereotypes from negatively affecting the immigrant's self-concept (see also Deaux, 2006).

1.4 Social Capital and Ethnic Business

1.4.1 Social capital. Any new entrepreneur inevitably must rely on networking to start a business. Through his or her network contacts the necessary start-up resources can be accumulated including financial capital, potential business partners, and finding committed employees and clientele. Further, in an attempt to develop the new business, an entrepreneur will try to broaden his/her contacts by bridging to other business circles. As is the case for any entrepreneur, business formation depends closely on structural properties of the individual's business network (Salaff, Greve & Wong, 2006).

Portes (1998) distinguishes social capital from other types of capital by saying "Whereas economic capital is in people's bank accounts and human capital is inside their heads, social capital inheres in the structure of their relationship" (p. 7). In essence, social capital refers to the individual's social networks that can be utilized for economic mobilization (Le, 1999). The concept of social capital suggests that an individual can have enhanced access to business resources by virtue of their membership in a cultural ingroup (Portes, 1995). Kloosterman, van der Leung and Rath (1999) proposed the concept of what is known as *mixed embeddedness* for analyzing the process by which immigrant entrepreneurs develop an enterprise while balancing their socio-economic and political environment with their informal social activities. The informal activities include involvement in the ethnic community such as attending church, playing active roles in social or ethnic gatherings, giving donations during fund raising, attending funerals and being a community presence. This creates and sustains a business and social network and the

benefit of the ethnic group contacts within this network is integral to the success of their new business. The presumed advantages of an immigrant's social capital includes the use of co-ethnic employees, co-ethnic markets, co-ethnic suppliers, community sources of capital, advice and information, as well as membership in ethnic community organizations (Menzies et al., 2007). Interestingly, the degree of ethnic community involvement, according to Woolcock (1998), can vary according to cultural group and whether the group constitutes a visible minority. For example, if there is greater societal prejudice against a particular cultural group or discrimination regarding employment opportunities, then there will be a greater need for members of the group to remain more involved with their cultural community in a variety of ways, including socially, culturally and economically (Menzies et al., 2007).

The social ties that an immigrant can develop within his/her community can combine and form a network which serves to be a highly beneficial resource when considering opening a business (Sequeira & Rasheed, 2006). For example, Amankwah (2004) studied the creation and operation of Ghanaian immigrant small businesses in Columbus, Ohio. He concluded that these immigrant business owners rely on their social embeddedness in the ethnic community as a support for their enterprises. They established not only their businesses, but also social networks by joining various cultural associations. In joining different associations, the Ghanaian entrepreneurs were able to create customer loyalty and gather information about the Ghanaian community which may not be reported by the media. These findings support the idea that when immigrant entrepreneurs use social capital to serve their own cultural communities, they gain exclusive strategic advantages that remain unavailable to many potential competitors.

One such advantage is access to coethnic employees and, indeed, it has been observed that immigrant entrepreneurs routinely employ coethnics at rates vastly above chance levels (Light, Bhachu & Karageorgis, 1993). For example, Froschauer (1998) discovered that East

Asian entrepreneurs in Vancouver employed ethnic strategies when resolving problems with their business ventures and relied on patterns of interaction with people who share a common national background and migration experience (i.e., their cultural ingroup). Furthermore, they were more likely to turn to coethnics for help when having problems with English, business experience, capital, technology, and employment. The entrepreneurs reported that they preferred to employ “trusted” family members and coethnics, and the norm was to recruit employees through personal recommendations and Chinese newspapers. In sum, these immigrant entrepreneurs preferred dealing solely with culturally similar others unless they needed a Caucasian person to access the larger market.

1.4.2 Ethnic business. There are various conceptions of what exactly defines an ethnic economy. Some researchers emphasize the fact that immigrant groups target a distinct area or location (i.e., an enclave) and develop a variety of enterprises serving their own ethnic market and/or the general population (Portes, 1981). Other researchers focus on the co-ethnicity of employer and employees (Bonacich & Modell, 1980), whereas still others highlight a shared ethnic language in the workplace (Reitz, 1980). Further, some researchers accentuate the importance of ethnic employees being concentrated in certain niche industries (Zhou, Min & Logan, 1989). Nonetheless, all of these definitions share a common element, a preference for co-ethnicity. Indeed, Light, Sabagh, Bozorgmehr and Der-Martirsian (1993) suggest that the definition be simplified and they contend that a distinctive economic formation that emphasizes a shared culture is sufficient to define an ethnic economy.

An ethnic business can be an appealing choice for immigrant entrepreneurs because they can rely on their co-ethnics to share commonalities such as language, culture, and other ethnic affinities (Sequeira & Rasheed, 2006). These ethnic businesses can be directed specifically at the ethnic community and provide specialized goods and services for this particular population. Such

businesses deal in culturally specific products since immigrant business owners are aware of the tastes and buying preferences of people from their former homeland. Conversely, other ethnic businesses can respond to the demand of the host society for exotic goods such as ethnic food, clothing, or other goods. These types of businesses are similar to those that are solely ethnic oriented, but also provide an opportunity to sell goods to a clientele that are not necessarily co-ethnics (Butler & Kozmetsky, 2004). Regardless of who the particular patrons are, the strong sense of cultural identity within many immigrant communities can lead to a separate *coethnic advantage* in some cases (Porter & Washington, 1993). The coethnic ingroup offers support to others within the same ethnic ingroup which, in turn, fosters strong ethnic identification (Ndofor & Priem, 2009). This identification can help the immigrant entrepreneur to maintain a positive self-concept as well as being beneficial in business. Indeed, there is evidence showing that in enclaves, where there are higher geographic ethnic concentrations, there is a positive association with the incidence of self-employment among co-ethnics (Lofstrom, 2002) and with better economic performance by co-ethnic ventures (Alesina & La Ferrara, 2005)

1.4.3 Social capital, ethnic business and social identity. Although immigrants are more likely to become self-employed, it is not clear as to which path they will take when starting a business. Immigrant entrepreneurs immediately face a strategic market choice that may determine the success of their ventures: Should they pursue a strategy that focuses their ethnic background, and subsequently benefit from a distinct competitive advantage over non-immigrants, or should they instead address their new country's mainstream marketplace (Ndofor & Priem, 2009)?

Presumably, strong cultural identification plays a role in leading an immigrant to start an ethnic business with a predominantly coethnic clientele (Ndofor & Priem, 2009). If the business owner is successful, this leads to stronger, more positive ties with their ethnic community. For many immigrants, their self-esteem and their position in society are inextricably tied to their

ethnic community's prestige. Such individuals are motivated to serve their communities, in part, because enhancing community status simultaneously enhances their collective self-esteem (Ndofor & Priem, 2009).

Depending on the decision to market to one's cultural community or to appeal to the host society, there are likely repercussions for identity. For example, those who wish to acculturate quickly surround themselves with symbols and situations that prime the meaning system of the host culture. On the other hand, those who desire to remain disassociated from the host culture maintain the accessibility of constructs from their home culture and surround themselves with stimuli priming that culture. When immigrant entrepreneurs are surrounded by co-ethnics and cultural symbols, familiar ways of thinking and feeling are kept alive and play a significant role in their ongoing effort to negotiate and express their cultural identities (Hong, Morris, Chiu & Benet-Martínez, 2000).

It has been suggested that individuals who strongly identify with lower-status minority groups are likely to see themselves as prototypical group members and to accentuate within-group homogeneity (Spears, Doosje & Ellemers, 1997). This can be particularly true within immigrant communities, which often are perceived as having lower status. Using SIT, it is presumed that immigrant entrepreneurs who have a strong cultural identity are more likely to run a business targeted at their ethnic community because prestige, and their individual identity is tied to the status of that community (Ndofor & Priem, 2009). Conversely, individuals who do not strongly identify with their cultural group often perceive that group as a lower-status group. Accordingly, they seek ways to distance themselves from the group and identify with a more favourable group in order to maintain a positive self-image (Ellemers & Van Rijswijk, 1997). Thus, immigrant entrepreneurs in this case will be more likely to separate themselves from their cultural group and pursue strategies that target the mainstream market. That is, those who identify strongly with

their cultural communities are more likely to pursue an ethnic venture strategy, whereas those with weaker identifications will be less likely to do so (Ndofor & Priem, 2009).

Taylor and Louis (2004), for example, emphasize the importance of cultural identity and argued that it represents the internalization of the culture's worldview and its normative values, norms, and goals. Subsequently, the internalized cultural frameworks will be integral in shaping much of the individual's behavior as they are an important aspect of social identity. Thus, an immigrant business person may not initially feel a strong attachment to their cultural identity but relying on their community for social capital and business support may give rise to the salience of the cultural identity and the link between ethnicity and entrepreneurship becomes reciprocal (Aldrich & Waldinger, 1990). Alternatively, a business that is embedded in and markets to the host community may have the opposite influence and promote identification with the dominant culture. It is assumed, therefore, that the use of social capital and business market choice are related to social identity.

1.5 Participation in Canadian Society

According to the acculturation typology, minority members may choose among four acculturation strategies: assimilation, integration, separation, and marginalization (Berry, Kim, Power, Young & Bujaki, 1989; Berry, 1992). Consequently, the adopted acculturation mode will affect one's self-identification. Those who take on an *assimilation* approach will choose to categorize themselves in a way that emphasizes their assimilation into dominant culture. An *integration* strategy will emphasize a hybrid identity where the individual participates in the both the minority group and in mainstream society. A *separation* strategy will lead to a self-categorization that emphasizes only membership in the cultural minority. Lastly, a *marginality* strategy consists of excluding both minority and majority identities from one's self-categorization in lieu of other relevant social categories (Suleiman, 2002).

Participation in Canadian society plays an important role in creating and running a business whether in terms of social capital or understanding the labour market. It is increasingly recognized that entrepreneurs embed their business decisions in social structures (Hansen, 1995; Greve & Salaf, 2003) and this is particularly the case for immigrant entrepreneurs. Shane (2003) observed that knowledge of the labour market and how to recognize opportunities is a key to entrepreneurial success, but is a barrier for immigrants because it can take time to become involved in the host society and participation in the host society can be hindered by language and cultural deficiencies. Consequently, a reliance on one's mother tongue and social capital also tend to influence identity and the extent of integration in the host society.

Typically, immigrant enclaves serve as a strong consumer base for many ethnic entrepreneurs, especially for immigrant groups in the early years of settlement in their host country. In larger cities, for example, large numbers of immigrants combined with majority group discrimination lead to the development of enclaves, presenting ethnic entrepreneurs with a captive market (Aldrich & Waldinger, 1990). Clearly, it is difficult to fully integrate into the host society when one lives and conducts business within such an enclave. In effect, many American writers highlight an *acculturation lag* among ethnic entrepreneurs which plays a part in the development and continuation of ethnic business. The lag is caused by the interplay between the traditional values which immigrants may have brought with them as part of their cultural baggage and the reluctance to adopt the values of the receiving society (Barret et al., 1996). In this instance, the business customs and values used in their former homeland make the ethnic identity of these entrepreneurs salient and delay acculturation into their adopted country.

Studies in Canada bear out both the positive and negative facets of immigrants working in a niche or enclave economy and how it relates to integration. For example, Chan and Cheung (1985), in their study of Chinese businesses in Toronto, found that Chinese business owners

benefited from certain collective resources of the community such as ethnic customers, ethnic labour as well as sense of group solidarity. Being bound to one's cultural group, however, also can impede the opportunity to associate with host nationals. This is especially the case when there is a language barrier. It is generally posited that ethnic enclaves develop because of lack of integration elsewhere in society. However, the traditional idea of an enclave is often too simplistic and presented to be dualistic: you are either in or out of the enclave. An immigrant could, in theory, live physically in an enclave and yet integrate in the host society. In this case, a more appropriate way to look at acculturation is by assessing participation in the host society as opposed to the assumption that living in an enclave is an explicit attempt to avoid integration.

In terms of learning the host language, Froschauer (2001) noted that, according to interviews with East Asian immigrant entrepreneurs, the retention of one's pre-migration business language in Canada can often lead to selecting a co-ethnic group as opposed to a diverse multi-ethnic group of Canadians. Consequently, the workers are co-ethnics, the supervisors are co-ethnic, and the business is sometimes restricted to a customer base of co-ethnics, limiting social integration into the larger society. Froschauer (2001) emphasized the fact that the inability to speak English prolongs integration into Canadian culture by ten to fifteen years. Although the continued practice of one's culture and language of origin is accepted in BC's multicultural setting, the entrepreneurs who did not learn English tended to differ in their attitudes toward linguistic conformity and subsequent integration.

Attempting to understand how these entrepreneurs choose to react to the host culture, Stiles and Galbraith (2003) reviewed existing literature on immigrant entrepreneurship and related it to Berry's (1997) taxonomy of acculturation strategies. For instance, they noted the similarity between integrationists and transnational entrepreneurs and the connection between assimilators and independence from their cultural group. They conclude by discussing the

complexities of the relationship between acculturation to the host society and entrepreneurship, but identify it as an area warranting further research.

1.6 Intention to stay and Canadian Identity

An important part of immigrant entrepreneurship for policy makers is ensuring that newcomer entrepreneurs remain in Canada after having established a business. For instance, Ley (2003) emphasizes this concern after conducting an analysis that revealed that, even after a Canada-wide search of credit records, a large number of immigrant entrepreneurs could not be located. Of these entrepreneurs, some were known to have left the country, while others were simply unaccounted for. Of those that could be contacted and interviewed, only half were meeting the requisite conditions of the business immigration program under which they immigrated (i.e., active management and the employment of at least one Canadian) and only 35% of their businesses were profitable. Ley (2003) speculates that these statistics suggest that, even those immigrant entrepreneurs who are still in Canada have questionable business futures, and that these business owners are likely to return to their country of origin if faced with a business failure in Canada.

In some cases, an ulterior motive of business immigrants is to secure their residency in Canada with the goal of obtaining citizenship; once they are able to obtain a Canadian passport, there may be no need to remain in Canada (Ley & Kobayashi, 2005). In the return migration literature, it has been observed that some passport seekers see their stay in Canada as *immigration jail*, fulfilling their term until they achieve their goal of citizenship (Ley, 2003; Teo, 2007). In this case, the key objective is not to run a productive business, but rather to overcome the hurdle of government monitoring concerning the probationary terms and conditions of obligatory entrepreneurship. For example, among the qualitative interviews (N=90) conducted by Ley (2006), 30 per cent of Hong Kong respondents and 40 per cent of Taiwanese and 7 percent of

Koreans had left self-employment at the time of interview. Ley (2006) posited that, these immigrants had the goal of becoming Canadian citizens and intended to leave soon after obtaining citizenship.

What is clear about this pattern of behaviour is that some immigrant entrepreneurs either gradually develop the desire for return migration or they had very little desire to stay in Canada pre-migration. This phenomenon where immigrant entrepreneurs only plan to be in a host country for a limited time has been documented as a *sojourner* orientation. The notion of the sojourner entrepreneur was addressed in a seminal work by Bonacich (1973) who proposed that many minority entrepreneurs mediate between their minority group and the dominant host group. In other words, they act as *middleman*, entrepreneurs who appeal to clientele that are typically members of the same marginalized racial or ethnic groups that are segregated from the dominant group. One of the principle tenets of the middleman theory posits that due to host community hostility, race discrimination and limited chances for upward mobility, many working-class and entrepreneurial immigrants develop a sojourner mentality. That is, the sojourner stays abroad but never loses his/her attachment to the homeland. They stay ambivalent towards the country of residence yet accumulate capital and developing an easily liquidated living. Moreover, there is a strong tendency for these business people to maintain strong relationships with their co-ethnics in the host and origin countries while remaining distanced from the host society. Typically, sojourners work long hours and send their savings to their home country, and have little time or money to spend on integrating themselves into their local Canadian community.

The sojourner theme has been relevant in the case of many American entrepreneurial minorities and also among Asians in Britain. Indeed, many of the first-wave Asian immigrants to Britain saw themselves as temporary migrants, using Britain principally as a means of improving

their social and economic position back home in Pakistan or India (Barrett, Jones, & McEvoy, 1996; Robinson, 1986).

There are examples of this pattern also occurring in Canada. For example, senior managers at the Canadian Consulate in Hong Kong remarked that in the 1990s, they had confronted a new phenomenon: well-qualified residents who were applying for Canadian immigration visas, though the managers strongly suspected they had no real desire to live in Canada (Ley & Kobayashi, 2005). A similar finding was reported by Glover and Sim (2002) who, through interviews with Canadian business nominees, found that many of the entrepreneurs have returned to Hong Kong seeking improved economic prospects. They concluded that there is evidence that some never intended more than a brief stay in Canada; a stay long enough to qualify for citizenship and secure their children's education. (Ley & Kobayashi 2005; Waters, 2002).

This sojourner pattern of behaviour is important for understanding factors that reduce immigrant retention. If an entrepreneur immigrates with the intention to stay and become a member of the dominant society, there is a redefinition of the self as part of developing a new integrative identity (Phinney, Horenczyk, Liebkind & Vedder, 2001). Conversely, a sojourner may not reconstruct his/her identity because he/she does not intend to stay in Canada. In other words, the development of a strong Canadian identity may be influential in the formation of intentions to live permanently in Canada in that a Canadian identity represents a psychological integration into Canadian society (Grant, 2007), whereas a lack of identity is indicative of a lack of a strong attachment to Canada and an increased likelihood of returning unless economic or political circumstance dictate otherwise (Portes, Haller & Guarnizo, 2002).

1.7 The Application of Psychological Variables to the Study of Immigrant Entrepreneurship

In previous research, the sociological trends of immigrant entrepreneurship have been recognized, but the importance of an immigrant's cultural identity and the development of a new national identity has not garnered sufficient attention. Yinger (1985) as well as Aldrich and Waldinger (1990) were early proponents of the idea that the strength of cultural identity and the salience of ethnic labels should be taken into account when studying ethnic entrepreneurs. They contend that sociological indicators (e.g., demographic characteristics) that rely on census data do not measure the extent to which a person's identification plays a role in their entrepreneurial endeavours. Naturally, these indicators are important when examining self-employment among immigrants, yet there is little research on the psychology of these individuals. In fact, most work is focused on looking at the economic dynamics of immigrant entrepreneurship as opposed to the psychology of the individual (Richmond, 2000). The group dynamics and identity issues involved in an immigrant's decision to open a business have been neglected and the importance of identity and the social psychological factors involved in pursuing entrepreneurship have not yet been addressed. Ireland (2007), for example, conducted a review of cross-disciplinary research on entrepreneurship to find that, until recently, little entrepreneurship-related research has been published in top-tier psychology journals. Thus, the area is open to exploration and theory development.

1.8 The Present Study and Hypotheses

The use of coethnic social capital in starting a business and securing resources is a common tactic used by immigrant entrepreneurs (Light et al., 1989) and, consequently, relying on coethnics is likely to make their ethnic group salient and influence their identification with that group (Aldrich & Waldinger, 1990). Intuitively, an entrepreneur relying on members of

his/her cultural ingroup for business advice, financing, staffing or clientele would feel a strong affiliation to the people integrally involved in the business. That is, social capital would serve to reinforce cultural identity (Lin, 1999). Inasmuch as cultural identity can influence the decision to target the ethnic market (Ndofor & Priem, 2009), cultural identity can be sustained or increased by reliance on co-ethnics during business start-up and management. Of key interest, thus, are the social capital resources that the immigrant utilizes in business. Presumably, if a nascent entrepreneur relies on co-ethnics for clientele, staff and financial support then cultural identity will be particularly salient.

***Hypothesis 1a)** Reliance on co-ethnic social capital in the business will be related to an immigrant entrepreneur reporting a stronger cultural identity.*

Conversely, some entrepreneurs may not rely on their cultural group for assistance and avoid social embeddedness in the cultural community. Rather, they may want to cater to the mainstream Canadian market and seek resources from outside their ethnic community. This market strategy should increase the salience of their Canadian identity and the strength of their identification with Canada

***Hypothesis 1b)** Reliance on non co-ethnic social capital will be related to the strength of an immigrant entrepreneur's national (Canadian) identity.*

This thesis was also developed to investigate the influence of perceived discrimination during the start-up and ongoing management of a new business. In particular, discrimination may be felt from financial institutions or from members of the host society. Marger (2001) suggests that for immigrant entrepreneurs, especially those from parts of the world which are particularly culturally different from Canadian culture, experience a set of shared adversities such as shortage of information, problems of housing and transportation, poor English language skills, financial need, negative perceptions of them in the host society, and blatant or subtle discrimination in

various spheres of social and economic life. These experiences then lead to group solidarity created as a result of a confrontation with the receiving host society. Indeed, such a situation is likely to increase immigrant entrepreneurs' identification with their cultural group and discourage them from identifying with Canada. Indeed, an immigrant's cultural identity becomes especially salient in situations where the immigrant group feels discriminated against by the host society (Anderson, 1991; Mossakowski, 2003; Phinney, 1991). Further, the extent to which the individual feels discriminated against would dictate feeling ingroup solidarity and, subsequently, the amount of social capital that can be accessed based on the ingroup solidarity (Portes & Sensenbrenner, 1993). Presumably, feeling discrimination in the mainstream market would leave the entrepreneur few options other than to turn toward coethnic networks for help with obtaining resources. However, when discussing perceived discrimination, it is possible that the individual may judge that they are being discriminated against personally and/or that immigrants-in-general are discriminated against. As this is a complex situation, both personal and collective discrimination will be measured and this issue will be explored in the study.

Hypothesis 2a) *The more that entrepreneurs rely on co-ethnic social capital, the more likely that they will report that they personally experience discrimination in the Canadian business world.*

Previous research studying skilled immigrants showed that perceptions of discrimination inhibited psychological acculturation and identification with Canada (Grant, 2007). Similarly, with this population it is posited that perceived discrimination will be related to a stronger cultural identity and limit the development of a Canadian identity.

Hypothesis 2b) *Perceived discrimination will be associated with a stronger cultural identity and a weaker Canadian identity.*

If this hypothesis is true, then immigrant entrepreneurs who experience discrimination are

more likely to develop a sojourner mentality in which they live abroad but never develop an attachment to their new homeland. That is, there would be a strong tendency for these business people to maintain strong relationships with their coethnics in the host and origin countries while remaining distanced, psychologically, from the host society. More generally, Bonacich (1987) describes some immigrant entrepreneurs in terms of middleman minorities who often adopt the mentality of a temporary resident or a sojourner. This theory attempts to explain why some entrepreneurs engage in return migration by suggesting that the entrepreneur works and lives in the host country but still feels ambivalent towards it. Perhaps this is because of discrimination or perhaps it is because of other social factors. Bonacich's (1987) point is that some entrepreneurs choose to settle permanently, while others reject the influence of the host culture and remain mono-cultural (Light, 2007). Although it has not yet been empirically studied, the implications for social identity are apparent; if an entrepreneur strongly identifies with his/her cultural group but not with Canada, then there is an increased likelihood that the individual will return to their original home country.

***Hypothesis 3.** Representative of a sojourner mentality, entrepreneurs that do not identify strongly with Canada, but who identify strongly with their culture of origin will be less likely to have intentions to stay and live permanently in Canada.*

1.8.1 Relationships explored. As part of minority groups, immigrants may be subject to stereotyping and discrimination. For example, the earliest theories of immigrant entrepreneurship suggested that immigrants turned to self-employment in face of labour market discrimination (Light, 1978). There is, however, some debate over the veracity of blocked mobility or the disadvantage hypothesis (Ley, 2006; Li, 1992; Li, 1997), so the role of labour market discrimination in motivating immigrants to entrepreneurship is unclear. Thus, it is necessary to explore if it is indeed discrimination (push factor) that acts as a motivator in this way.

Additionally, having a sojourner orientation has been identified as an indicant of entrepreneurs' intentions to stay in the host country, but it is also worthwhile to explore other possible reasons for return migration. Namely, does perceived discrimination also contribute to the desire for return migration?

***Exploratory Relationship 1.** The relationship between perceived discrimination (blocked mobility) and reasons for starting business and the relationship between perceived discrimination and the desire to live permanently in Canada will be explored.*

The different business paths that immigrant entrepreneurs take may also be related to their acculturation into Canadian society. This issue, however, remains exploratory because little is known about the acculturative strategies of immigrant entrepreneurs. Presumably, being involved in a business where one is not required to speak much English, deals mostly with co-ethnics and is surrounded by reminders of home is representative of very little participation in Canadian society. On the other hand, dealing with the mainstream Canadian market seems like the ideal situation for an integrationist strategy. Based on the existing literature, some suppositions can be made but it is of interest to examine how acculturation is related to the type of business the entrepreneur operates.

***Exploratory Relationship 2).** The relationship between the type of business (mainstream vs. ethnic) and the acculturative strategy that the immigrant entrepreneur uses will be explored.*

CHAPTER 2 -METHOD

A deductive approach was used in this study whereby previous research findings and existing theory were the guiding factors in developing the hypotheses and research questions. To test these assertions, quantitative data were gathered and statistically analyzed to make inferences about the proposed relationships between the variables. These data were gathered by means of a questionnaire that employed a mixed-methods approach. The responses to the qualitative questions were subject to a thematic analysis and coded in order to augment the quantitative data.

To reiterate, the present study was designed to look at the experiences of immigrant entrepreneurs from a social identity perspective. In other words, the research is founded upon the idea that social identities make up one's self-concept and that these identities influence behavior, or business decisions in this case. The scales and measures for this study were chosen to explore the psychological aspects of entrepreneurship as they may relate to identity. In the end, social identity theory was the guiding theoretical framework and the findings were interpreted through the lens of this theory.

2.1 Sample

The participants were immigrant entrepreneurs currently living throughout Canada. Although the definition of the term *entrepreneur* may have various connotations, for the purposes of this study an entrepreneur has been operationally defined as owners and operators of business enterprises (Aldrich & Waldinger, 1990). This encompasses self-employed persons who employ family labor as well as those who employ outsiders.

The sample was not limited to immigrants from any particular country but included anyone who had immigrated to Canada so as to not limit the size of the participant pool. There was no particular requisite for the length of stay in Canada as the length of stay among immigrant entrepreneurs varies. There is evidence that the longer the stay in a country the higher likelihood

of employment (Tubergen, 2006), however, immigrants also come through federal or provincial nominee programs and, as such, they are expected to start a business upon arriving in Canada (Ley, 2003). By not setting parameters on length of stay, both types of entrepreneurs can be included.

2.1.1 Participant recruitment. The primary method of recruitment was searching ethnic business directories in Canadian cities for contact information about immigrant businesses. Participants were then contacted by e-mail (See Appendix A) and an Internet survey was used in order to access participants from across Canada. The researcher contacted local immigrant-serving agencies for any referrals that they were able to provide. In addition, local immigrants were hired and trained as research assistants to recruit people through contacts in their cultural network. The recruitment materials provided potential participants with the Internet address for the online questionnaire, as well as information on how to obtain a paper copy of the survey if they wished. The introductory page of the survey provided the researcher's contact information, and covered the aspects of informed consent, participant rights, and confidentiality (Appendix B).

2.2 Measures

The measures were chosen from the literature on immigration as well as entrepreneurship and have been found to be reliable and valid in previous research. Please refer to Table 1 for reliability scores found in the present study.

2.2.1 Measure of social capital. To quantify the social capital of individuals, a standardized measurement instrument known as a Resource Generator was employed. The generator was developed by Van Der Gaag and Snijders (2004, 2008) and has been found to result in valid and easily interpretable representations of social capital. For example, the generator was used for a sample (N=1,004) of the Dutch population in 1999-2000 (Van Der Gaag & Snijders, 2004), it was found valid in a sample from the UK (Webber & Huxley, 2007) and

most recently used by Lang & Roessel (2011) to measure social capital among a sample of 196 Austrian survey participants. The measure was modified and used by Cote (2009) to study the social networks of Aboriginal entrepreneurs in Toronto and the role of social capital in obtaining necessary resources for business start-up. The generator assesses if a resource is accessed from an acquaintance, friend or family member, but has been somewhat adjusted for the purposes of the current study to assess whether resources were obtained from a coethnic or not. The instrument presents a list of 15 resources and respondents were asked if they had access to a resource through someone from their cultural group, someone **not** from their cultural group and someone from their cultural group in their country of origin. From the resource generator a single measure, the total number of resources (e.g., staffing, web design, market information) accessed from each source, was calculated (Van der Gaag et al. 2008). Each participant's responses to this scale yielded three scores which could range from 0 to 15: the number of resources accessed via his/her cultural group, resources accessed from someone in their home country and the number of resources accessed via Canadians who are not from their cultural group.

2.2.2 Identity. Canadian and cultural identity was measured using an adapted version of a Brown and colleagues (1986) Group Identification Scale. The original measure has been shown to have good reliability and validity (Jackson & Smith, 1999). Subsequently, Grant (2007) and Grant and Nadin (2007) adapted the scale into a 6-item version that was found to have good reliability for both cultural (Cronbach's $\alpha = .91, .90$ respectively) and Canadian identity (Cronbach's $\alpha = .84, .88$ respectively) when studying a sample of immigrants from Asia and Africa. The scale was used at two points during the questionnaire; once to assess the level of identification with Canada and a second time to measure the strength of identification with their cultural group. The measure uses a 7-point scale ranging from "not at all" to "extremely" with higher scores representing higher identification. In order to account for the subjective nature of

cultural identification, participants were asked to write the name of their cultural group at the top of the scale before completing the items.

2.2.3 Intention to stay. Intent to remain in Canada was assessed by a 5-item scale that was adapted from Baruch, Budhwar and Khatri (2007). The scale was designed and used by Baruch et al. (2007) to measure the intentions of international students to stay in the UK after having completed university studies. The items have been modified as to be relevant to entrepreneurs and to Canadians. The response format is a 5-point likert scale ranging from “strongly disagree” to “strongly agree” (e.g., I intend to sell my business and return to my home country eventually.”). Although the scale was initially developed for international students, it is likely that measuring intentions to remain would be somewhat similar for any foreigner who comes to a new country whether as a student or not. Indeed, the scale was found to be reliable (Cronbach’s $\alpha = .86$) in this sample of immigrant entrepreneurs.

2.2.4 Perceived discrimination. Perceptions of discrimination were gauged using 10 items from a scale measuring acculturative stressors and perceived discrimination designed by Mena, Padilla and Maldonado (1987). The ten items were selected by Sanchez and Brock (1997) for a study investigating workplace discrimination. These authors reported that the scale was reliable (Cronbach's $\alpha = .87$) and had significant loadings on a confirmatory factor analysis. The ten items were changed to represent discrimination in business as opposed to “at work” as this scale intends to measure the extent to which immigrant entrepreneurs personally experience discrimination (e.g., “At my place of business, people look down upon me if I practice the customs of my culture.”). The response format consists of a 5-point likert scale with higher scores representing increased perceptions of discrimination. The modified scale was found to be reliable in the current study (Cronbach's $\alpha = .93$).

Four additional items were included from the Discrimination against Immigrants in the

Labour Market subscale of the Discriminatory barriers to Integration Scale (Grant & Nadin, 2007). This measure comes from a scale designed to measure the perception that immigrants in general are discriminated against (e.g., “In Canada, immigrants face discrimination when they seek employment.”). The subscale consists of four items that are measured on a 5-point likert scale (strongly disagree to strongly agree). The scale has been found to be reliable (Cronbach’s $\alpha = .75$) and valid (Grant, 2007; Grant & Nadin, 2007) in studies examining the experiences of skilled immigrants. The purpose of the additional items is to look at perceptions of collective discrimination. This measure of discrimination also had good reliability (Cronbach's $\alpha = .87$).

2.2.5 Acculturation scales. An adapted version of The Vancouver Index of Acculturation (VIA) – Participation in Mainstream Culture was used as an index of acculturation (Ryder, Alden, & Paulhus, 2000). This scale measures the degree to which immigrants are involved in Canadian society (e.g., “It is important for me to maintain or develop Canadian cultural practices”). This 10-item unidimensional scale has respondents answer on a seven-point Likert type scale, with higher scores indicative of greater participation in Canadian society. The VIA was validated with Chinese, non-Chinese East Asian, and other non-English speaking immigrant groups in Canada (Ryder et al., 2000) and achieved Cronbach’s α ’s ranging from .85-.89. Ryder et al. (2000) reported that this scale correlated positively with other validated acculturation scales as well as immigrants’ identification with North America. An adapted version of the scale, originally modified by Grant (2007) was used where the word “Canadian” was substituted for “North American” and the word “typical” was removed from many of the items (Cronbach’s $\alpha = .91$). Additionally, ten items were used from the 20-item Host Community Acculturation Scale (HCAS) covering the domains of employment and cultural heritage. This scale was developed to monitor endorsement of each of five acculturation strategies: Individualism, integrationism, assimilationism, segregationism and exclusionism (Bourhis & Bougie, 1998).). Past research has

confirmed the validity of the HCAS in Quebec (Montreuil & Bourhis, 2001; 2004), in Italy (Barrette, Bourhis, Capozza & Hichy, 2005), France (Barrette, Bourhis, Personnaz, & Personnaz, 2004), and Israël (Bourhis & Dayan, 2004). However, this scale did not achieve significant reliability in this particular study (see Appendix C for alphas). The scale was perhaps not reliable in this study since there were only two questions for each of the five acculturation strategies and, thus, the reliability score was only a correlation between two items. Since the scale was only subsidiary and was found unreliable, it was dropped from subsequent analysis.

2.2.6 Language competence scale. Respondents perceived level of fluency and competence in English was measured with a four-item language competence scale originally designed by Bourhis and Dayan, (2004). On a scale of from “not at all” to “very well”, participants indicate their ability to read, write, speak and understand English. Bourhis, and Dayan, (2004) have found reliability scores for this scale ranging from .64-.91. In the present study, the scale was reliable with Cronbach’s $\alpha = .93$.

2.2.7 Open-ended questions. Several open-ended questions were included to add insight to the quantitative items and to elicit responses from the participants without leading them toward a specific answer. General questions such “What kind of business do you operate?” were used to see how the entrepreneurs categorize their business and services. Other examples such as “What did you do before you went into business?” were designed for the research questions that are more exploratory in nature. The responses to these questions were coded using thematic analysis.

2.2.8 Reasons for pursuing entrepreneurship. To assess what may have motivated participants to pursue entrepreneurship, a list of 11 potential reasons (e.g., “I felt disadvantaged in Canadian labor market” or “I wanted to make more money”) were provided and participants were asked to indicate which ones are most appropriate for them. An open-ended question was included also asking participants to specify any other reasons that were not included in the list.

The list of reasons was adopted from an interview schedule from a study by Shinnar and Young (2008), who interviewed Hispanic entrepreneurs about their motivations for entry into self-employment. The list was derived from a review of existing literature about the push/pull factors of entrepreneurship.

CHAPTER 3- RESULTS

3.1 Respondents

The participants in the current study were 121 immigrants from across Canada who originated from a number of different countries, with the majority (65%) migrating from Africa (N=27) and Asia (N=52). Over half (54.5%) were living in Western Canada, while 31.4% were living in the Maritimes and 14% were living in Quebec. As expected, the majority of respondents were male (70%) and this disparity is typical of immigrant entrepreneurs where the ratio is approximately 3:1 in favour of men (Armengot, Parellada & Carbonell, 2010). Most respondents (79%) were married with children, also a common finding among immigrant entrepreneurs (Shinnar & Young, 2008). The average number of children was close to two ($M=1.89$, $SD=1.58$; mode = 2). Participants' ages ranged from 21 to 71 with mean age of 41.5 years ($SD = 9.78$). On average, they had lived in Canada for almost 10 years ($M=9.7$, $SD=8.10$) and most had become Canadian citizens (66%). The participants reported running a business in Canada for close to five years ($M=4.79$, $Mdn=3.0$ $SD=5.89$) with the most frequent answer being one year (18%). The most common sectors in which participants worked were the food industry (24%), retail (17.3%), automobiles/transportation (9.9%) and construction (8.3%). These respondents were generally highly educated as most had completed a degree at either an undergraduate (18.2%) graduate (16.5%) or professional (28.1%) (e.g., law, engineering, nursing) level.

3.2 Data Screening

The variables that were selected for analysis were first screened using SPSS. All values were examined for miscodes as well as for univariate and multivariate outliers. Although there were some missing values, they did not occur in a systematic pattern and no variables had more than 5% missing data; thus, missing data were left coded as missing. Univariate outliers were

detected through an examination of Z Scores ($> + 3.29$) and histograms (Tabachnick & Fidell, 2001). There were two outliers for time spent in Canada because there were four participants who had spent over 30 years living in Canada. This skewness was resolved by creating a category of “30 or more years” which eliminated the outliers. A similar technique was used for the variable for years running a business in Canada as there were six participants who had been running businesses in Canada for over 15 years.

The data were scanned for normality which revealed that the social capital variables were considerably skewed. A square root transformation was used to make them normal. In addition, there was a ceiling effect for the discrimination in the labour market scale. That is, the data were significantly negatively skewed with a modal response of “5” on the 1- to 5-point scale. No transformation can make such a distribution normal, so none was used.

3.3 Tests of the Hypotheses

The main purpose of the study was to test the relationships, as predicted in the hypotheses, among social identity, discrimination, social capital and intentions to stay in Canada using correlational and regression analyses.

3.3.1 Identity, social capital, and perceived discrimination. The first set of hypotheses are concerned with the relationship between cultural and Canadian identity and the social capital and discrimination variables. Hypothesis 1 was analyzed with identity serving as the dependent variable. Identity was also the dependent variable in Hypothesis 2b, whereas perceived discrimination was the dependent variable in Hypothesis 2a.

Hypothesis 1a) *Reliance on co-ethnic social capital in the business will be related to immigrant entrepreneurs reporting a stronger cultural identity.* As predicted, there was a positive correlation ($r(117)=.42, p<.001$, one-tailed) between co-ethnic social capital and strength of cultural identity. More reliance on ingroup social capital was related to a stronger cultural identity

Table 1

Descriptive Statistics for the Main Social Psychological Variables

Scale	Items	Range	Mean	SD	<i>n</i>	Reliability
Cultural Identity	6	1-7	5.28	1.43	117	.91
Canadian Identity	6	1-7	5.31	1.23	120	.85
Perceived Discrimination (Labour Market)	4	1-5	3.93	.978	121	.87
Perceived Discrimination (Workplace)	8	1-5	2.99	1.07	120	.93
Vancouver Acculturation Index (VIA)	10	1-7	5.35	1.14	119	.90
Intention to Stay	5	1-5	3.85	1.07	121	.86

Note: a high score each of the scales means more agreement with the items (E.g., a high score indicates that the respondents identified more strongly with Canada, perceived more discrimination etc).

Hypothesis1b) *Reliance on non co-ethnic social capital will be related to the strength of an immigrant entrepreneur's national (Canadian) identity.*

This hypothesis was also tested using a one-tail correlational analysis and, contrary to the hypothesis, no significant correlation was obtained ($r(117)=-.07$, $p=.484$). That is, there was no distinguishable relation between strength of Canadian identity and Canadian social capital. There was, however, a significant positive correlation between reliance on Canadian social capital and participation in Canadian society ($r(119)=.27$, $p=.003$). Although employing Canadian social capital may not influence Canadian identity, it is related to acculturation in mainstream Canadian society.

Hypothesis 2a) *The more that entrepreneurs rely on co-ethnic social capital, the more likely that they will report that immigrant entrepreneurs experience discrimination in the Canadian business world.*

Table 2

Relationships among the Main Social Psychological Variables

	1	2	3	4	5	6	7	8
1. Cultural Identity		-.011	.17+	.38***	-.21**	-.26**	.42***	-.13
2. Canadian Identity			-.28**	-.33***	.46***	.40***	.17+	.07
3. Perceived Discrimination in Labour Market (Collective)				.56***	-.03	-.12	-.08	-.13
4. Perceived Discrimination in the Workplace (Personal)					-.35***	-.41***	.14	-.34***
5. Vancouver Index of Acculturation						.41***	-.11	.27**
6. Intention to Stay in Canada							.00	.24**
7. Co-ethnic Social Capital								.05
8. Canadian Social Capital								

+ $p < .10$, ** $p < .05$, *** $p < .01$, one-tailed test.

This hypothesis was tested with a one-tailed correlation which was not statistically significant ($r(120) = .14$, $p = .125$). Thus, counter to the hypothesis, relying on co-ethnic social capital is unrelated to perceptions of personal discrimination in business. Reliance on co-ethnic social capital was also not related to perceptions that there is discrimination against immigrants in general within the Canadian business world ($r(121) = .08$, $p = .385$).

Hypothesis 2b) *Perceived discrimination will be associated with a stronger cultural identity and a weaker Canadian identity.*

A one-tailed test was used to examine these hypothesized relationships between discrimination, both personal and collective, and strength of Canadian identity, and between discrimination and strength of cultural identity. There was, indeed, evidence of stronger cultural identification when the respondent felt that they had been discriminated against personally

($r(117)=-.375, p<.001$). In addition, the correlation between cultural identity and perceived discrimination toward immigrants collectively in the labour market approached significance ($r(117)=-.166, p=.074$). Concerning Canadian identity, weaker identification with Canada was associated with perceived discrimination both personally ($r(120)=-.33, p<.001$) and collectively ($r(120)=-.28, p=.002$). In general then, both aspects of this hypothesis were supported.

Hypothesis 2b was also tested by means of a hierarchical regression analysis. Here, both perceived personal discrimination and perceived discrimination against immigrants in general were used to predict both cultural and Canadian identity after controlling for the demographic variables of age, English ability, and the number of years the respondent had run a business in Canada. These demographic variables were selected for the analysis since they correlate with either cultural identity, Canadian identity or both variables. This analysis revealed that an additional 11.2% of the variance in cultural identity is explained by perceived discrimination over and above the demographic variables of age, English ability, and the number of years the respondent had lived in Canada and run a business in Canada. Consistent with the hypothesis, perceived discrimination is a predictor of a stronger cultural identity, but only in terms of perceived personal discrimination and not collective discrimination (See Table 3).

A similar analysis was then conducted to predict Canadian identity. Again the discrimination variables accounted for an additional 11.0% of the variance in Canadian identity over and above the demographic variables. Although both types of perceived discrimination were negatively related to Canadian identity as predicted, there was only weak support for the hypothesis as the regression coefficients for these independent variables were only marginally significant (See Table 4).

Table 3

Predictors of Cultural Identity

Independent Variables	Correlation with the Dependent Variable	Regression Coefficient (β)	R^2_{change} F	R^2 F
<u>Step 1</u>				
Years in Canada	-.05	.03		
Age	-.25**	-.20**		
Years running business in Canada	-.20**	-.17	10.3% ** $F(4,106) = 3.04$	10.3% ** $F(4,106) = 3.04$
English Ability	-.12+	-.02		
<u>Step 2</u>				
Perceived discrimination (personal)	.40***	.37**		
Perceived discrimination (collective)	-.17**	-.05	11.2% ** $F(6,104) = 7.42$	21.5% *** $F(6,104) = 4.75$

3.3.2 Predictors of intentions to stay in Canada. In this section, hypothesis 3 is tested and, more generally, the predictors of intentions to stay and make a home in Canada are explored.

Hypothesis 3. *Representative of a sojourner mentality, entrepreneurs that do not identify strongly with Canada, but who identify strongly with their culture of origin will be less likely to have intentions to stay and live permanently in Canada.*

This prediction was initially analyzed using one-tailed correlations. As hypothesized, cultural identity negatively correlates with intentions to stay in Canada ($r(117) = -.256, p = .005$), whereas Canadian identity is positively related to intentions to stay ($r(120) = .396, p < .001$).

Table 4

Predictors of Canadian Identity

Independent Variables	Correlation with the Dependent Variable	Regression Coefficient (β)	R^2_{change} F	R^2 F
<u>Step 1</u>				
Years in Canada	.18**	.21+		
Age	.10	.00	5.8%	5.8%
Years running business in Canada	.08	-.14	$F(4,108) = 1.67$	$F(4,108) = 1.67$
English ability	.15+	.15		
<u>Step 2</u>				
Perceived discrimination (Personal)	-.32***	-.19+	11.2%**	17.0%**
Perceived discrimination (Collective)	-.31***	-.20+	$F(6,106) = 7.14$	$F(6,106) = 3.62$

A hierarchical multiple regression was conducted which controlled for English language ability and citizenship on the first step as both of these demographic variables are related to long-term residence in Canada. Then, to test the hypothesis, cultural and Canadian identities were entered on the second step (Table 3). Hypothesis 3 was only partially supported by the results from this regression analysis as cultural identity was not a significant negative predictor of intentions to remain in Canada, ($\beta = -.19$, $t(114) = -1.59$, $p = .113$) whereas Canadian identity was a positive predictor of intention to stay ($\beta = .24$, $t(114) = 2.62$, $p < .001$). Together, the two identity variables accounted for 19.6% in intention to stay.

To expand on hypothesis three and to investigate the predictors of intentions to stay in Canada, a third step was added to the regression model that included other relevant variables that correlated with the intentions to stay, including perceived personal discrimination. This analysis tested part of exploratory relationship 1; namely that *the relationship between perceived discrimination and the desire to live permanently in Canada will be explored*. The addition of the three variables (perceptions of discrimination in the workplace, participation in Canadian society and non-ethnic social capital) accounted for an additional 7.1% of the variance (see Table 5). In total, the model explained approximately one third of the variance (33.5%) in intentions to stay. As before, cultural identity had a non-significant beta weight, but Canadian identity was still a significant predictor over and above the other variables ($\beta = .26$, $t(114) = 2.73$, $p = .007$). Of the new variables, perceived personal discrimination was, indeed, a significant negative predictor of intentions to stay ($\beta = -.22$, $t(114) = -2.24$, $p = .027$) but acculturation and non-ethnic social capital were not significant predictors.

More on Exploratory Relationship 1. *The relationship between perceived discrimination (blocked mobility) and reasons for starting business will be explored.*

3.3.3 Reasons for starting a business. Respondents rated various reasons for starting a business on a 4-point scale that ranged from “1” indicating that the reason was “not at all” a motivating factor to “4” indicating that it was an aspect that contributed “a great deal” to their decision to become an entrepreneur. The three most compelling reasons to start a business, on average, were that participants wanted to make more money, have the flexibility of self-employment and that they had always wanted a business (See Table 6). In terms of the disadvantage hypothesis, the average response to feeling disadvantaged in the labour market was between a little and a moderate amount ($M=2.49$, $SD=1.14$). Further, there was a positive

Table 5

Predictors of Intentions to Stay in Canada

Independent Variables	Correlation with the Dependent Variable	Regression Coefficient (β)	R^2_{change} F	R^2 F
<u>Step 1</u>				
Citizenship	.14+	.10	6.8% **	6.8% **
English ability	.22 **	.04	$F(2,111) = 4.02$	$F(2,111) = 4.02$
<u>Step 2</u>				
Cultural identity	-.29 **	-.14	19.6% ***	26.3% ***
Canadian identity	.40 ***	.26 **	$F(2,109) = 14.48$	$F(4,109) = 9.74$
<u>Step 3</u>				
VIA	.41 ***	.15		
Non-ethnic social capital	.24 **	.06	7.1% ***	33.5% ***
Perceived Discrimination (Personal)	-.41 ***	-.22 **	$F(3,106) = 3.79$	$F(8,105) = 6.70$

correlation between education and feeling disadvantaged in the labour market ($r(115) = .205$, $p = .028$) suggesting that “brain waste” was possibly a factor in starting a business.

Each of the three top reasons for starting a business was entered as a dependent variable in a regression equation, yet a significant proportion of the variance in only one of the reasons, the motivation to make more money, was accounted for by the independent variables. Specifically, this regression equation, which included Canadian identity, cultural identity, co-ethnic social capital, participation in Canadian society and perceived personal discrimination in the workplace,

Table 6

Reasons for Starting a Business

Reason	Range	Mean	SD	<i>n</i>
I wanted to make more money	1-4	3.14	.99	119
I wanted flexibility of self-employment	1-4	2.95	.93	119
I always wanted a business	1-4	2.94	1.11	119
I had the relevant skills	1-4	2.68	1.09	119
The opportunity presented itself	1-4	2.53	.97	119
I felt disadvantage in Canadian labor market	1-4	2.49	1.14	118
I wanted to involve family member in business	1-4	2.11	1.15	119
I had a business previously	1-4	2.08	1.22	119
I had difficulties in previous job	1-4	2.07	1.18	118
It was recommended by others	1-4	1.84	.86	120

Note: The 4-point scale measured the degree to which the statement represented a reason for starting the business from “not at all” to “a great deal”. The means are presented in descending order.

was significant ($F(5,113) = 7.00, p < .001$) and explained 24.5% of the variance. Only perceived discrimination in the workplace was a significant predictor ($\beta = -.19, t(114) = 1.96, p = .052$), although the measures of identity were marginally significant. Based on the analysis, respondents were more likely to cite making money as a reason for starting a business if they personally felt discriminated against in the Canadian workplace. Although not significant in the regression, correlational analyses also revealed that participants were more likely to start a business to make more money if they felt a stronger cultural identity ($r(116) = .325, p = .001$), a weaker Canadian identity ($r(119) = -.288, p < .001$) and participated less in Canadian society ($r(120) = .316, p = .001$).

Table 7

Predictors of the Motivation to Make Money as a Reason for Starting a Business

Independent Variables	Correlation with the Dependent Variable	Regression Coefficient (β)	R² F
Canadian identity	-.27**	-.18+	
Cultural identity	.34***	.19+	
Co-ethnic social capital	.19**	.11	24.5%** $F(5,108) = 7.00$
VIA	-.32***	-.12	
Perceived discrimination (personal)	.38***	.19**	

* $P < .05$, ** $p < .01$, *** $p < .001$

To better understand the disadvantage hypothesis, demographic and psychological variables that correlated with the feeling disadvantaged in the labour market were included in a regression analysis which was conducted controlling for education and gender in the first step. Personal and collective perceived discrimination, Canadian identity and participation in Canadian society were included in the regression equation at the second step. These independent variables accounted for a substantial and significant 34% of the variance in the dependent variable with 26% being accounted for by the social psychological variables alone. Those who identified with Canada were less likely to have reported feeling disadvantaged in the Canadian labour market as reason to start a business. In contrast, those who felt personal discrimination and who felt that immigrants in general are discriminated against by Canadian employers and did not identify with Canada were more likely to feel disadvantaged.

Table 8

Predictors of the Disadvantage Hypothesis

Independent Variables	Correlation with the Dependent Variable	Regression Coefficient (β)	R^2_{change} F	R^2 F
<u>Step 1</u>				
Education	.19**	.10	6.8% ** $F(2,111) = 4.02$	6.8% ** $F(2,111) = 4.02$
Gender	.22**	-.01		
<u>Step 2</u>				
Perceived discrimination (personal)	.44***	.23**	19.6% *** $F(2,109) = 14.48$	26.3% *** $F(4,109) = 9.74$
Perceived discrimination (collective)	.44***	.22**		
VIA	-.24**	-.04	7.1% *** $F(3,106) = 3.79$	33.5 *** $F(8,105) = 6.70$
Canadian identity	-.45***	-.29**		

3.3.4 Predictors of type of business. Some immigrants start a business that primarily caters to members of their cultural group or that sells products that reflect their culture, whereas other immigrants start a business which targets mainstream Canadian society. In this section the predictors of the type of business that an immigrant pursues are explored.

Exploratory Relationship 2. *The relationship between the type of business (mainstream vs. ethnic) and the acculturative strategy that the immigrant entrepreneur uses will be explored.*

The analysis of this research question excluded participants from Montreal (N=17) as this sample was different than the other cohorts in terms of ethnic business. The ethnic business variable was the mean score over two items (1-4) that assessed the extent to which the

individual's business was related to and promoted their culture of origin. The participants in Montreal ($M=1.38$) had significantly less ethnic business ($F(3,117)=2.92, p=.037$) than other areas (Saskatoon; $M=2.04$, Nova Scotia; $M=2.15$, Other; $M=2.43$) and were, therefore, omitted from this particular analysis (See Appendix D for regression analysis including sample from Montreal).

In terms of acculturation, there was a significant correlation between level of participation in Canadian society and the type of business that the entrepreneur operates ($r(101)=-.265, p=.007$) such that respondents running an ethnic business did not participate in Canadian society as much as those running a more mainstream business. Some other factors related to running an ethnic business included, feeling disadvantaged in the labour market ($r(101)=.243, p=.014$) and wanting to involve family in the business ($r(101)=.225, p=.023$). In other words, the entrepreneurs who reported disadvantage in the labour market as a motivation for business, who wanted to involve family members in business and who were less involved in the Canadian way of life were more likely to run an ethnic business.

A hierarchical multiple regression analysis was then employed to explore the predictors of starting an ethnic business (Table 9). The age of the participant and the number of children that he/ she had were correlated with running an ethnic business and were included as demographic variables in the first step. Ndofor and Priem (2009) found that immigrant entrepreneurs' use of social capital and their social identities influenced their choice of business venture strategy and so these variables were tested in the second step. Participation in Canadian society, as well as two of the reasons for starting a business that correlated with the dependent variable (feeling disadvantaged in the labour market and wanting to involve family members in business), were included in the third step in order to see if they account for any extra variance.

Table 9

Predictors of Ethnic Business

Independent Variables	Correlation with the Dependent Variable	Regression Coefficient (β)	R^2_{change} F	R^2 F
<u>Step 1</u>				
Age	.11	.08	5.4%	5.4%
Children	.23**	.15	$F(2,80) = 2.29$	$F(2,80) = 2.29$
<u>Step 2</u>				
Coethnic social capital	.18**	.06		
Non-coethnic social capital	.05	.08	7.3%	12.7%
Canadian identity	-.14	-.05	$F(4,76) = 1.60$	$F(6,76) = 1.85$
Cultural identity	.02	-.04		
<u>Step 3</u>				
VIA	-.32**	-.25**		
Felt disadvantaged in labour market	.28**	.25**	10.4%**	21.7%**
Wanted to involve family	.17 ⁺	.13	$F(3,73) = 3.29$	$F(9,73) = 2.44$

Acculturation and feeling disadvantage in the labour market were the only significant predictors of starting an ethnic business. The third step of the regression was significant and accounted for an additional 10.4% of the variance. These results suggest, therefore, that less participation in Canadian society and feeling disadvantaged in the Canadian labour market are the strongest predictors of running an ethnic business.

CHAPTER 4- DISCUSSION

The purpose of the current study was to investigate how social psychological variables are relevant to the experiences of immigrant entrepreneurs in Canada. The hypotheses were generated from a social identity perspective, which posits that people partly define themselves in terms of social categories and that these various identities make up their collective self-concept. It was predicted, therefore, that the strength of Canadian and cultural identity would be relevant to the business decisions of immigrant entrepreneurs. Overall, there is evidence to support the tenets of the Social Identity Theory as well as evidence that social psychological factors are inextricably linked to the immigrant entrepreneur experience.

4.1 Identity, Social Capital, and Perceived Discrimination

Social capital is based on the idea that informal networks such as friends and family as well as formal networks such as organizations and community groups provide support to nascent entrepreneurs. Presumably, then, these networks are related to certain social identities relevant to these social networks. Specifically, and in support of hypothesis 1a, the results showed that there was a relationship between using coethnic social capital and a strengthened cultural identity. Because this is a correlational study, the causal direction between these variables is not known. On the one hand, a strong cultural identity might lead to an individual seeking resources from one's cultural group profiting from a "coethnic advantage" (Lee, 1999; Porter & Washington, 1993). On the other hand using coethnic social capital might lead to a strengthened sense of cultural identity as a result of the immigrant becoming more socially embedded in their local cultural community (Aldrich & Waldinger, 1990; Campbell, & McLean, 2002). Regardless of the directionality there is clear evidence that the social networks that the entrepreneur creates is related to strength of cultural identity (Welch, 2010). Alternatively, instead of being unidirectional, it might plausibly be that the relationship between coethnic social capital and

ethnic identity are reciprocal.

Contradicting hypothesis 1b, no relationship was found between using Canadian social capital and a stronger Canadian identity. There was, however, a correlation between using Canadian social capital and participation in Canadian society. Thus, it appears as though immigrants who participate more fully in mainstream Canadian society are more likely to use Canadian social capital, even though they do not necessarily develop a stronger Canadian identity as a result. It is possible that integration into Canadian society may be sometimes related solely to behavioural acculturation and that, psychologically, the entrepreneur has not yet adopted a Canadian identity. Clearly, immigrant entrepreneurs must integrate behaviorally into Canadian society for business purposes. Whether s/he develops a strong Canadian national identity may be related to other factors such as the desire to live permanently in Canada with their family. Indeed, the literature on transnationalism suggests that some immigrants are not interested in relocating permanently, but rather are developing and expanding their business interests internationally. That is, some immigrant entrepreneurs may be motivated to adapt to the host society but have no intention of developing a psychological attachment to Canada (Ley, 2003; Van Oudenhoven, Ward & Masgoret, 2006).

Counter to hypothesis 2a, using coethnic social capital and perceiving discrimination were unrelated. It was initially proposed that some immigrants would report encountering difficulty in terms of facing institutional discrimination when running their business (Aldrich & Waldinger, 1990; Teixeira et al. 2007). It was predicted, therefore, that those entrepreneurs who perceive discrimination would subsequently turn to their friends, family and cultural community for help (Marger, 2001). If discrimination is unrelated to using coethnic social capital then it is likely that the entrepreneurs used resources that were readily available from trusted sources as opposed to lacking opportunities elsewhere (Sanders & Nee, 1996). In other words, coethnic social capital is

not always used as a last resort due to discrimination and lack of Canadian social capital, but can be a more general and effective way of developing a business (Saxenian, 2002).

According to SIT, perceived discrimination is a factor that can lead to greater identification with an ingroup that shares the same stigma. In this case, members of a marginalized group are more likely to reject the dominant group and place emphasis and value on their minority group (Tajfel & Turner, 1979). Consistent with SIT and replicating previous research (Branscombe, Ellemers, Spears & Doosje, 1999; Grant, 2007), there was support for hypothesis 2b, in that respondents who perceived discrimination reported a stronger cultural identity. Interestingly, the relation between cultural identity and discrimination was only significant for discrimination which individuals felt they had experienced personally in the course of running his or her business. Although participants felt that there was discrimination in the labour market toward immigrants in general, this perception was only marginally related to strength of their cultural identity. Mossakowski (2003) posited that ethnic identity can serve as a coping mechanism to combat the stress of discrimination. Essentially, when ethnic identity is salient an individual can take pride in his/her heritage, participate in cultural activities and experience a sense of belonging in the face of discrimination. The results from this study suggest that, this way of coping is most strongly evoked when the discrimination is experienced firsthand.

The regression analysis revealed more about the link between perceived discrimination and identity. In effect, a portion of both cultural and Canadian identity was explained by perceived discrimination. Since the importance of self-identification has been heretofore emphasized, it is noteworthy that perceived discrimination is a significant predictor of the strength of an entrepreneur's identity. The inference is that, whether or not the entrepreneur encounters discrimination, has a considerable influence on how the individual self-identifies, although it could also be that strength of identity influences to what extent immigrant entrepreneurs perceive

discrimination. Clearly, more research is required in order to explore these intriguing possibilities further.

4.2 Intentions to Stay in Canada

The theoretical concept of the sojourner orientation in entrepreneurship has been up for debate and received criticism (Aldrich & Waldinger, 1990; Cherry, 1990). What is clear, however, is that there is evidence of immigrant entrepreneur attrition in Canada (Ley, 2003). In the case of a sojourner, the individual seeks to stay only as a temporary resident and remains uninvolved in the host society. That is, they participate in the host society, but choose not to acculturate. This segregation, in turn, increases majority-group antagonism toward immigrants while reinforcing minority-group solidarity (Kesler & Hout, 2010).

This thesis was designed to investigate, based on the sojourner theory, whether entrepreneurs who identified strongly with their ethnic group, but not with Canada, would be more likely to leave Canada. The sojourner orientation was not tested entirely, however, since intentions to stay *before* migrating could not be assessed. On the one hand, there is some evidence to support this theoretical position. Namely that, in support of hypothesis 3, cultural identity was related positively and Canadian identity was related negatively to the participants' intentions to return to their country of origin. On the other hand, the complex nature of what it means to be a sojourner is far from established and still warrants consideration. For instance, other social or familial reasons over and above solely individualistic factors may be related to an individual's intention for return migration. Further, the very nature of sojourning has been revisited in order to establish the connections between settlement and transnationalism in a globalized world (Yang, 2011). Thus, instead of a binary distinction of being a sojourner or not, individuals vary on a continuum of attachment to the host country and intentions to return to their country of origin.

Concerning developing a new national identity, the results from the regression analysis further emphasized the importance of Canadian identity when predicting intentions to stay. A strong Canadian identity acknowledges that there is a psychological attachment to Canada, and a redefinition of the self as a Canadian (Phinney, Horenczyk, Liebkind & Vedder, 2001).

Considering the positive relation between intention to stay in Canada, identification with Canada and participation in Canadian society, a Canadian identity is indicative of stronger intentions to live permanently in Canada and of participation in Canadian society (Portes, Haller, & Guarnizo, 2002). This interpretation is not to suggest that an entrepreneur must assimilate in order to have intentions to stay in the country, but rather to suggest that it is important that immigrant entrepreneurs also develop identification with Canada in addition to their existing ethnic identity if they are going to remain in Canada.

To address part of exploratory relationship 1, regression analysis was used to examine the role of discrimination in predicting intentions to stay. The analysis revealed that personal discrimination in the workplace was a negative predictor of intentions to stay, while Canadian identity was a positive predictor. Presumably, an entrepreneur who owns a business in Canada but experiences discrimination in the course of running the business is less likely to develop a Canadian identity and is more likely motivated to return home. That is, the evidence suggests that experiencing personal discrimination is a push factor influencing the decision toward return migration (Gmelch, 1980). On the one hand, the data are consistent with what is known in the return migration literature as a *return of failure*: some entrepreneurs return because they feel that they cannot integrate into their host countries due to the prejudices and discrimination they encountered (Cerase, 1974). That is, difficulties in becoming part of the receiving society or in adapting to host societies are strong enough to motivate people to return to their home country (Cassarino, 2004). On the other hand, the results suggest that when an entrepreneur can be

integrated sufficiently to develop a Canadian identity, then s/he is more committed to stay.

4.3 Disadvantage Hypothesis

Similar to previous research (Ho & Wong, 2007; Kim et al., 1989; Li, 1997; Min, 1988; Min, 1990), the participants did report feeling disadvantaged in the labour market as one reason for starting their own business, although this was not the most important reason. The sample of entrepreneurs reported being well educated which fits with past research suggesting that human capital is important in immigrant entrepreneurship (Marger, 2001; Sanders & Nee, 1996). However, having more education was associated with feeling disadvantaged in the labour market suggesting that brain waste may have been a factor in that more educated entrepreneurs were less likely to find suitable job alternatives in the labour market (Li, 2001).

Nonetheless, the top three reasons that motivated participants to entrepreneurship were seemingly pull factors (wanted more money, more flexibility and that they had always wanted a business). In their survey of immigrant entrepreneurs in Canada, Brenner, Menzies, Dionne and Fillion (2010) found similar results in that there was a mix of both pull and push factors that led immigrants to start a business. In their study, the three main reasons for immigrants going into business were to create their own job, make more money and be their own boss. However, they also found that some participants mentioned push factors as reasons such as the loss of a job, unemployment and lack of professional job opportunities.

Interestingly, it is possible that there is a blurred distinction between push and pull factors for immigrant entrepreneurs. Although the desire to make more money is ostensibly a pull factor, a significant predictor of wanting to make more money is feeling personal discrimination. Thus, an alternative interpretation is that the entrepreneur may perceive discrimination which leads him/her to seek an occupation that is more lucrative as well as where s/he is less likely to be subject to discrimination. For example, Basu and Altinay (2002) found that making more money

was a reason for immigrant entrepreneurship in that the entrepreneurs felt that they were underpaid at their previous salaried jobs. The motivations for starting a business can, therefore, be complex since a push factor such as discrimination may underlie a pull factor such as the desire to make money.

Expanding on the disadvantage hypothesis, the current study focused on the social psychological impact of feeling that the labour market can not be fully accessed (blocked mobility). Although not previously studied, one aspect of the disadvantage hypothesis is related to the psychology of the individual. As the results from the regression analysis show, in this study feeling disadvantaged in the labour market is related to feeling a weakened sense of Canadian identity, intimating that the experience of blocked economic mobility inhibited the participants' current identification with Canada. Similarly, the participants may have resolved their disadvantaged situation by starting a business, yet they still feel discriminated against personally as well as perceiving that immigrants collectively experience disadvantage in the labour market. Thus, although upward economic mobility may be achieved through self-employment, there are residual effects on the extent to which the individual identifies as a Canadian and feels that the Canadian labour market is equitable.

4.4 Ethnic Business

The regression model that was employed in the present study suggests that acculturation and feeling disadvantaged in the labour market are the two most important predictors of starting an ethnic business. More specifically, individuals that were less acculturated to Canadian society and those who felt they could not find work appropriate to their skills were more likely to start an ethnic business.

Ndofor and Priem (2009) measured entrepreneurs' ethnic social capital, together with their degree of social identification with their ethnic community and found that these factors

influenced their choice to pursue a venture strategy focused either on their ethnic background or the dominant market. Counter to what they discovered neither ethnic identification nor social capital were predictors of ethnic business in this study. However, the fact that participation in Canadian society is related to starting a mainstream business is similar to their finding that more frequent contact with non-coethnic networks is negatively related to starting an ethnic business.

Disadvantage in the labour market was also a factor that motivated the entrepreneur to target an ethnic market. Again, this would be predicted by SIT that feeling disadvantaged in the host market would strengthen the salience of ethnic identity. Further, this finding is similar to what Portes and Sensenbrenner (1993) posited: that perceived discrimination and minority status can strengthen cultural customs from the entrepreneur's country of origin. When faced with bleak job prospects, participants were more likely to rely on their culture and enter into an ethnic business (Razin & Scheinberg, 2001).

The fact that identity was not a significant predictor is surprising, but also difficult to interpret. The survey items were designed to assess the reasons that motivated the immigrant to start a business as well as measure current strength of identity. Identity may have been a more important factor at initial start-up of the business but now is only evident in the extent to which the immigrant is acculturated or not. Another explanation could stem from research conducted in the area of transnational entrepreneurs. According to Wong and Ng (2002), a unique aspect of transnational entrepreneurship is that the business owner is often simultaneously straddling two societies and, as a result, finds it difficult to commit to and identify with any one society. In their qualitative research they found that transnational immigrants notions of belonging and of citizenship are often fluid, flexible and lacking a strong single national identity. That is, the issue of any national identity is not particularly important to transnationals because they come to develop a broader, more cosmopolitan identity. Transnationalism was not assessed in the present

study, but the fact that ethnic identity did not predict whether or not an immigrant entrepreneur will create an ethnic business may be indicative of a transnational identity. More directly, however, the results suggest that it is the degree to which an entrepreneur participates in mainstream Canadian society that predicts whether or not they will engage in a business directed at consumers who are part of this mainstream. That is, immersion into Canadian society rather than the development of a strong Canadian identity is the factor that influences this important business decision.

4.5 Limitations

In the current study entrepreneurs were recruited throughout Canada from a number of different cultural groups. As a result, more generalizable conclusions can be made. As mentioned earlier, the category of an immigrant encompasses considerable diversity and cannot be combined into one static profile. Moreover, the conditions under which the immigrant came to Canada also plays a role in the immigrant's experience. Presumably, the experience of a refugee who subsequently starts a business in Canada would be qualitatively different than an entrepreneur who immigrates through a business immigration program. Consequently, the business experience for all immigrant entrepreneurs is not always comparable. Moreover, variables such as host language ability, cultural compatibility and visible minority status are likely to be more of a barrier for some entrepreneurs than others. However, controlling for all of these factors was not feasible in this thesis and is a common concern in immigrant entrepreneur research. Indeed, the heterogeneity of immigrant entrepreneurs (see Brenner et al., 2010) is an inevitable factor for policy makers and thus research, to some extent, must represent the variability that exists in immigrant self-employment.

On a similar note, the fact that there was no distinction about the type of entrepreneurs that were surveyed was a limitation in as much as there is a wide array of business types and sizes

included in the definition of entrepreneur. Some of the businesses were run from the individuals' homes whereas some created new, innovative products and still others ran large companies. Due to the variation in the entrepreneurial endeavours, it is likely that the respondents' experiences with the Canadian market were different. Although concentrating on certain types or sectors of business was not plausible for the current study, it is an area for future research.

There were several other issues related to sampling that might have influenced the results. Firstly, the survey was in English and only those who could speak English well enough to complete the survey themselves participated in the study. As a result, there were some entrepreneurs who were not able to participate due to language barriers. Secondly, the sampling was non-probability and was subject to self-selection bias. For example, the more marginalized entrepreneurs who are detached from Canadian society or suspicious of social research would be less likely to be participants. Inevitably, the response rate was not 100% and, therefore, some individuals were particularly motivated to complete the survey, whereas others were not and, hence, are likely to be underrepresented.

The extent to which the participants operated an ethnic business was assessed but since the majority of participants came from smaller centres, the dynamic of running an ethnic business is different. That is, in smaller cities there are few to no ethnic enclaves like those that exist in larger cities such as Vancouver and Toronto. Instead of the business being nestled in an area that is predominantly inhabited by coethnics and surrounded by other ethnic businesses, ethnic businesses can be found scattered throughout the city. Additionally, although the business may be culturally based, one aspect that was not explored was the amount of non-coethnics that are clientele. For example, a Vietnamese restaurant would be considered an ethnic business, but its patrons may not be just Vietnamese people. The variability in what would be considered an ethnic business, thus, is a potential limitation.

Lastly, participants were asked about the reasons they started a business and what resources they used in the initial stages of their business, which are retrospective questions. Recalling these details may be biased as recall is not as accurate as assessing the present. Further, the correlations in some instances relied on current measurements of psychological variables and relating them to the retrospective measures. Although, generally, the results of these correlations were consistent with existing literature and theory, there is only circumstantial evidence for the suggestion that these relationships represent particular causal paths.

4.6 Future Research

The current results show support for the proposition that both cultural and national social identities are related to business decisions. Thus, future research should be designed to include measures of identification when studying immigrant entrepreneurship. As indicated, however, identity is a multidimensional concept that can be approached from different schools of thought. Since the present study only assessed a part of the entrepreneurs' collective identity, then there is room for expansion on how to measure social identity and which identities are the subject of analysis. In particular, in-depth qualitative interviews with immigrant entrepreneurs would be fitting as a supplement for the quantitative data presented herein. In the future, addressing identities from different theoretical perspectives and methodologies would be useful for a more comprehensive understanding of social identity among immigrant entrepreneurs.

Concerning sampling, some of the limitations in the present study could be addressed in subsequent research by focusing on specific sub-populations of immigrant entrepreneurs. For example, the majority of the immigrant entrepreneurs that were recruited for this research came from urban centres. It would be beneficial to compare their experiences with those of rural entrepreneurs. Rural areas are less likely to have a large ethnic communities and even less likely

to have ethnic enclaves, hence, the process of acculturation, acquisition of social capital, identification and encounters with locals are apt to be different than entrepreneurs in cities.

Another interesting cohort for future study would be entrepreneurs that come through provincial nominee programs as opposed to other immigration streams. Some comparisons have been made (See Hiebert, 2008), but not yet from a psychological approach. The circumstances under which these entrepreneurs come to Canada and are motivated to start a business are likely different from economic class immigrants who decide to pursue entrepreneurship after having lived in Canada for a while. Hence, Looking at particular subsamples such as refugee entrepreneurs, business class entrepreneurs, entrepreneurs from a particular cultural group or region of the world, and so on is a future avenue of research that could more appropriately represent the range of experiences in immigration and in entrepreneurship. As well, a comparison of the entrepreneurial experiences of these different groups may also prove to be of great value as, in this way, the specific issues and challenges faced by these groups will be brought more into focus.

In terms of understanding the immigration experience, the occurrence of transnationalism is becoming more and more frequent in a globalized world. Nonetheless, studies on ethnic enterprise have generally ignored the phenomenon of transnationalism and, consequently, the transnationalism and immigrant entrepreneurship literature has been disparate (Wong & Ng, 2008). Studying how transnational business decisions are influenced by identity and acculturation would be an important avenue to explore when studying how these business people simultaneously balance the language, customs and values of different cultures and how they differ from entrepreneurs who are only involved in one market.

Lastly, different patterns of entrepreneurship have been recognized among different ethnic groups (Bates, 1997; Brenner et al., 2010; Teixeira & Truelove, 2002; Waldinger et al., 1990). A

promising area of research would be to look at how social psychological factors, such as cultural distance and ethnic identity influence how ethnic groups adapt and why some adapt more effectively than others. For example, some have proposed a *cultural thesis* of entrepreneurship such that the special skills, cultural predilection, values, attitudes, aspirations for achievement, and heritage that the migrant entrepreneur brings to the host society are often translated into more frequent entrepreneurial activities among some groups (Piperopoulos, 2010). If it is indeed true that some cultural groups have a proclivity for entrepreneurship, then it would be worthwhile to assess how identity, cultural proximity and social integration may be factors that explain why some groups are more successful than others.

4.7 Implications

The data presented in the current study provide evidence of the importance of integration and fostering the development of a Canadian identity among immigrant entrepreneurs. For policy makers, facilitating and aiding settlement of newcomer entrepreneurs and providing opportunities to develop attachments to Canada are crucial at an early stage. Certainly, economic factors are important for immigrant business owners, but retention and business success are equally related to feeling socially integrated and identifying with Canada. It is critical to recognize the role of identity in acquiring resources for a business, involvement in Canadian society and decisions to permanently reside in Canada.

In order to promote and retain successful entrepreneurs that come through nominee programs, for example, the focus for governmental bodies needs to be on initiatives that provide ways for immigrants to become involved with other Canadians and gain exposure to the community and the Canadian way of life. Involving immigrant entrepreneurs in community programs is an effective way to introduce them to networks and become acculturated into daily life in Canada. Such efforts can increase identification with Canada, which will positively affect

business, social integration and the desire to stay in Canada. It is advisable, therefore, that future programming for immigrant entrepreneurs keep in mind the need to develop a sense of belonging and help immigrants develop ties with Canada.

The use of coethnic social capital can be beneficial for entrepreneurs and, in many ways, serves as a great network for recent immigrants. Although there is nothing inherently problematic with relying on coethnics for business support, the results suggest that as an immigrant's cultural identity becomes salient, he/she becomes more embedded in the cultural community through relying on coethnics. Here, a combined effort of both public and private agencies would be beneficial for providing immigrant entrepreneurs with other resources that have the potential to help in this area. That is, agencies that can direct immigrant entrepreneurs to initial resources and local contacts which can help them find suitable business opportunities and thus providing the chance for immigrant entrepreneurs to become involved with resources and contacts outside of their immediate circle.

A problem presented by Ley (2003) is that there are very few data on retention rates of immigrants coming through nominee programs in Canada, but there is evidence that many entrepreneurs do not stay for the long-term. To avoid the sojourner orientation, it is important to work with immigrant nominees before they immigrate to Canada and to understand their intentions for coming to Canada and what they have arranged in terms of business and settlement plans (e.g., language training, housing, membership in business organizations). Then, when they are here, they should be encouraged to stay by specifically helping them overcome barriers to becoming full members of Canadian society, particularly if these barriers can be construed as discriminatory.

CHAPTER 5- CONCLUSION

Immigrant entrepreneurship is becoming widely considered to be a critical element in the composition of Western Economies and the revival of the small business population and, as such, is gaining recognition among researchers (Piperopoulos, 2010). Despite this growing phenomenon, there is currently a dearth of social psychological research in the area. The results of the current study suggest that social psychological variables play an important role in the choices that immigrants make in terms of acquiring resources, the type of business they open and their intentions to remain in Canada. Therefore, there is support for the idea that immigrant entrepreneurship should be considered from a psychological as well as economic perspective and that future research should consider the influence of identity, acculturation and discrimination in immigrant entrepreneurship. This finding is important as a catalyst for future scientific investigation and for policy and programming as the strength of Canadian and cultural identity is important in predicting aspects of integration and business success.

CHAPTER 6- REFERENCES

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APPENDIX A

Format for Contacting Participants by E-mail

Hello_____

My name is Daniel and I am graduate student at the University of Saskatchewan. I found your business _____ was hoping that you would participate in my thesis research which is looking at the business and social integration of immigrant entrepreneurs across Canada. I hope to use this information to inform governmental bodies and policymakers on how to make entrepreneurship a more viable option for immigrants. The survey takes about 10-15 minutes and can be completed online by following this link: <https://survey.usask.ca/survey.php?sid=23470> . Or, if you would like a paper copy please send me your mail or fax address. The survey is anonymous and confidential, but if you have any questions about it, or questions about my research in general, please feel free to contact me by replying to this e-mail. I appreciate your consideration and thank you for your willingness to help me with my research.

May you have continuing success in your business,

Daniel

APPENDIX B

The Questionnaire

**Becoming an Entrepreneur in Canada:
Questions for Immigrant Business Owners**

This questionnaire is designed to assess your experiences and opinions about being an entrepreneur as well your experiences as an immigrant adjusting to life in Canada. **PLEASE CIRCLE OR WRITE YOUR ANSWERS** to the questions in this booklet. Please remember that this is not a test and there are no right or wrong answers. I am interested in *your* opinion and it is the average and range of these opinions which will be communicated to interested parties, including researchers specializing in immigration issues and government agencies. Neither your name nor any identifying information will be placed on this booklet, so your answers are completely anonymous. If you want to ask questions about this research, please feel free to contact me (Daniel Robertson) at 280-0144 (E-mail d.robertson@usask.ca) or Professor Peter Grant at 966-6675 (E-mail: peter.grant@usask.ca).

Section 1: Your Business

Thank you for participating in this research study. I will begin with a few questions asking about your business; what motivated you to start a business and what resources you used.

1. What kind of business do you operate?

2. To what extent is your business related to your cultural background

not at all : a little : a moderate amount : a great deal

3. To what extent does your business promote your culture of origin?

not at all : a little : a moderate amount : a great deal

4. How many years have you been running your business in Canada? _____

5. What did you do before starting a business?

What was your reason(s) for starting a business? Please circle your answers.

6. It was recommended by others

not at all : a little : a moderate amount : a great deal

7. The opportunity presented itself

not at all : a little : a moderate amount : a great deal

8. I felt disadvantage in the Canadian labor market

not at all : a little : a moderate amount : a great deal

9. I wanted to make more money

not at all : a little : a moderate amount : a great deal

10. I wanted the flexibility of self-employment

not at all : a little : a moderate amount : a great deal

11. I wanted to involve family members in business

not at all : a little : a moderate amount : a great deal

12. I had difficulties in my previous job

not at all : a little : a moderate amount : a great deal

13. I always wanted a business

not at all : a little : a moderate amount : a great deal

14. I had owned a business previously

not at all : a little : a moderate amount : a great deal

15. I had the relevant business skills

not at all : a little : a moderate amount : a great deal

Were there any other reasons that factored in your decision to open a business? If yes, please explain:

Entrepreneurs need help in different ways throughout the course of starting and operating their business. Please tell me about the people that helped you get started and grow in business. I would like to know in particular if you received help from:

I. Someone from your cultural group- Anyone from your cultural group who is living in Canada whether they also immigrated or were born in Canada.

II. Someone who is not from your cultural group- Anyone in Canada who is not part of your cultural group

III. Someone from your cultural group in your country of origin- Anyone from your cultural group who lives in your country of origin.

PLEASE CHECK ALL THAT APPLY

Were you supplied with..... FROM...	Someone from my cultural group	Someone not from my cultural group	Someone from my cultural group in my country of origin	No one Helped
16. Loan or financial support				
17. Information on business opportunities				
18. Government sales contract				
19. Market Information				
20. Establishing business contacts				
21. Training/Skill development				
22. Potential clients				
23. Partner in business				
24. Staffing				
25. Help with business plan				
26. Provide furniture, computer, location etc.				
27. General business advice				
28. Finding suppliers				
29. Help with website development/maintenance				
30. Mentoring				

Section 2: Identity

People have varying levels of identification with their cultural group and with their country. These questions address, to some extent, how much you feel a part of your cultural group and how much you feel that you are Canadian now. Please circle the number on the scale that best represents your feelings.

31. What is the name of your cultural group? _____ (please print your answer)

32. To what extent do you feel a member of your cultural group?

Not at all 1 2 3 4 5 6 7 **Extremely**

33. To what extent do you feel strong ties with your cultural group?

No ties at all 1 2 3 4 5 6 7 **Extremely strong ties**

34. To what extent do you feel pleased to be from your cultural group?

Not pleased at all 1 2 3 4 5 6 7 **Extremely pleased**

35. How important to you is being a member of your cultural group?

Not important at all 1 2 3 4 5 6 7 **Extremely important**

36. How much are your views about your country of origin shared by other people from your Cultural group?

Not shared by any 1 2 3 4 5 6 7 **Shared by all**

37. When you hear someone who is not from your cultural group criticize people from your cultural group, to what extent do you feel personally criticized?

Not criticized at all 1 2 3 4 5 6 7 **Extremely criticized**

Now answer the following questions which measure how much you feel you are Canadian (even if you are not yet a citizen). Please circle the number on the scale that best represents your feelings.

38. To what extent do you feel Canadian?

Not at all 1 2 3 4 5 6 7 **Extremely**

39. To what extent do you feel strong ties with other Canadians?

No ties at all 1 2 3 4 5 6 7 **Extremely strong ties**

40. To what extent do you feel pleased to be from Canada now?

Not pleased at all 1 2 3 4 5 6 7 **Extremely pleased**

41. How important to you is being Canadian?

Not important at all 1 2 3 4 5 6 7 **Extremely important**

42. How much are your views about Canada shared by other Canadians?

Not shared by any 1 2 3 4 5 6 7 **Shared by all**

43. When you hear someone who is not Canadian criticize Canadians, to what extent do you feel personally criticized?

Not criticized at all 1 2 3 4 5 6 7 **Extremely criticized**

Section 3: Barriers to Integrating into the Canadian Way of Life
Different things can prevent different people from becoming part of Canadian society and the Canadian business market. Please circle how much you agree or disagree with the following sentences.

44. I feel that others make jokes or negative commentaries about people of my cultural background.

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

45. I sometimes feel that being an immigrant is a limitation to my business.

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

46. Many people have stereotypes about my culture or ethnic group and treat me as if they were true.

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

47. In conducting business, people think I am unsociable when in fact I have trouble communicating in English.

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

48. I sometimes feel that people try to stop me from advancing because of my cultural origin

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

49. I feel that my accent is a limitation to my business.

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

50. In the business community, I feel that others exclude me from their activities because of my cultural background.

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

51. At my place of business, people look down upon me if I practice the customs of my culture.

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

52. In Canada, immigrants face discrimination when they seek employment.

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

53. Immigrants' education and work experience are often not recognized in Canada.

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

54. In Canada, immigrants face discrimination from potential employers because they do not have Canadian experience.

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

55. Canada needs to provide more government programs to help new immigrants find a job that matches their qualifications and work experience.

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

Section 4: Cultural Adjustment

The following statements ask for your opinions about recent immigrants to Canada (individuals who have come to Canada within the last 3 years and who are not yet Canadian citizens). Responses to these questions vary widely; there are no right or wrong answers, so please give your honest opinion. Please use the following scale:

Strongly	Somewhat	Slightly		Slightly	Somewhat	Strongly
Disagree	Disagree	Disagree	Neither	Agree	Agree	Agree
1	2	3	4	5	6	7

In regard to culture

56. Immigrants should give up their heritage culture for the sake of adopting Canadian culture.

1 2 3 4 5 6 7

57. Immigrants can maintain their heritage culture as long as they do not mix with Canadian culture.

1 2 3 4 5 6 7

58. Immigrants maintain their cultural heritage or adopt the Canadian culture makes no difference because each person is free to adopt the culture of his/her choice.

1 2 3 4 5 6 7

59. Immigrants should maintain their heritage culture while also adopting Canadian culture.

1 2 3 4 5 6 7

60. Immigrants should not maintain their heritage culture, nor adopt Canadian culture, because, in any case, there should be less immigration to Canada.

1 2 3 4 5 6 7

In regard to employment for immigrants:

61. When a job is aVIAlable, employers should always refuse to hire immigrants.

1 2 3 4 5 6 7

62. When a job is aVIAlable, employers should hire immigrants only if they conform to the work habits of Canadians.

1 2 3 4 5 6 7

63. When a job is aVIAlable, only the individual merits of the candidate should be considered, whether the candidate is an immigrant or a Canadian.

1 2 3 4 5 6 7

64. When a job is aVIAlable, employers should be as likely to hire an immigrant as a Canadian candidate, regardless of the cultural habits of immigrants.

1 2 3 4 5 6 7

65. Certain job domains should be reserved only for Canadian candidates while other job domains should be reserved strictly for immigrants.

1 2 3 4 5 6 7

Section 5: Participation in Canadian Culture

Please indicate whether you agree or disagree with the following sentences. These questions ask you about your experiences in Canada with Canadians in general (Canadians from all cultural backgrounds including your own).

Strongly Disagree	Somewhat Disagree	Slightly Disagree	Neither	Slightly Agree	Somewhat Agree	Strongly Agree
1	2	3	4	5	6	7

66. I often participate in the Canadian cultural traditions.

1	2	3	4	5	6	7
----------	----------	----------	----------	----------	----------	----------

67. I would be willing to marry a Canadian person.

1	2	3	4	5	6	7
----------	----------	----------	----------	----------	----------	----------

68. I enjoy social activities with Canadians in general.

1	2	3	4	5	6	7
----------	----------	----------	----------	----------	----------	----------

69. I am comfortable working with Canadians in general.

1	2	3	4	5	6	7
----------	----------	----------	----------	----------	----------	----------

70. I enjoy Canadian entertainment (e.g. movies, music).

1	2	3	4	5	6	7
----------	----------	----------	----------	----------	----------	----------

71. I often behave in ways that are typical of Canadians in general.

1	2	3	4	5	6	7
----------	----------	----------	----------	----------	----------	----------

72. It is important for me to maintain or develop Canadian cultural practices.

1	2	3	4	5	6	7
----------	----------	----------	----------	----------	----------	----------

73. I believe in Canadian values.

1	2	3	4	5	6	7
----------	----------	----------	----------	----------	----------	----------

74. I enjoy Canadian jokes and humour.

1	2	3	4	5	6	7
----------	----------	----------	----------	----------	----------	----------

75. I am interested in having Canadian friends.

1	2	3	4	5	6	7
----------	----------	----------	----------	----------	----------	----------

Section 6: Intention to Stay in Canada

Some people immigrate and decide to spend their lives in Canada, whereas others return to their country of origin after having spent time in Canada. Based on your experiences in Canada so far, I am interested in what your intentions are.

76. I intend to return to my home country as soon as I have the opportunity

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

77. I intend to sell my business and return to my home country eventually

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

78. I intend to return to my home country in a few years

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

79. I am planning to stay in Canada to further my business

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

80. I intend to reside in Canada permanently

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

Section 7: Demographic Information

I would like to conclude with a few questions that will allow me to compare the survey participants to the overall characteristics of other immigrant entrepreneurs in Canada. Please remember that your answers will be kept strictly confidential.

Please evaluate your language skills in English in the following areas:

81. I understand English.	Very well	Fairly Well	Not very well	Not at all
82. I speak English.	Very well	Fairly Well	Not very well	Not at all
83. I read English.	Very well	Fairly Well	Not very well	Not at all
84. I write English	Very well	Fairly Well	Not very well	Not at all

85. What language(s) did you speak in your home as a child? _____

86. What language(s) do you speak in the course of doing business? _____

87. What is your gender?

Male Female

88. What is your age? _____

89. How many years have you lived in Canada? _____

90. Are you a Canadian citizen? **YES : NO**

If no, what is your immigration status? _____

91. What is your highest level of education? (CIRCLE ONE ONLY)

Less than high school

High school

Some technical or trade training

Technical or trade school diploma

Some university

Undergraduate degree

Professional degree such as Law, Business, Engineering, Nursing, Medicine

Master's or PhD

Other _____

92. How satisfied are you currently with the financial state of your business? (Circle one)

not at all satisfied : somewhat satisfied : satisfied : very satisfied

93. What best describes your marital status? (Circle one only)

Married Common-law Single Separated Widowed

94. How many children do you have? _____

THE END OF THE QUESTIONNAIRE

THANK YOU VERY MUCH FOR YOUR PARTICIPATION

APPENDIX C

Descriptive Statistics for the Omitted Host Community Acculturation Scale

Scale	Items	Range	Mean	SD	<i>n</i>	Reliability
HCAS-Assimilation	2	1-7	3.10	1.56	117	.45
HCAS- Individualism	2	1-7	5.39	1.25	117	-.08
HCAS-Segregation	2	1-7	2.96	1.50	117	.31
HCAS-Integration	2	1-7	5.48	1.34	117	.24
HCAS-Exclusionism	2	1-7	1.97	1.45	117	-.10

APPENDIX D

Regression Analysis Including the Participants from Montreal

Independent Variables	Correlation with the Dependent Variable	Regression Coefficient (β)	R^2_{change} F	R^2 F
<u>Step 1</u>				
Age	.13	.09	2.4%	2.4%
Children	.12 ⁺	.08	$F(2,95) = 1.15$	$F(2,95) = 1.15$
<u>Step 2</u>				
Coethnic Social Capital	.22 ^{**}	.23 ^{**}		
Non-coethnic Social Capital	.08	.11	7.9% ⁺	12.7%
Canadian Identity	-.01	.00	$F(4,91) = 2.01$	$F(6,91) = 1.74$
Cultural Identity	-.06	-.16		
<u>Step 3</u>				
VIA	-.13	-.10		
Felt Disadvantaged in Labour Market	.10	.14	6.0% ^{**}	21.7% ⁺
Wanted to Involve Family	.22 ^{**}	.22 ^{**}	$F(3,88) = 2.10$	$F(9,88) = 1.90$